

Austria	Sh 15	Indonesia	Rp 1650	Philippines	Pes 20
Belgium	Bfr 35	Italy	L 1100	Portugal	Pes 60
Canada	C\$ 50	Japan	Yen 300	S. Africa	Rand 6.00
Denmark	Dkr 7.00	South Korea	Won 500	Singapore	S\$ 4.10
France	Ffr 5.00	Taiwan	Nt\$ 6.00	Spain	Pes 95
Germany	DM 2.00	Thailand	Bat 5.00	Sweden	Skr 5.50
Greece	Dr 150	U.S.A.	Doll 1.00	Switzerland	Sfr 5.00
Holland	Gld 1.00	U.K.	£ 1.00	U.S.A.	Doll 1.00
India	Rs 15	West Germany	DM 2.00	U.S.A.	Doll 1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,002

Thursday February 17 1983

8523 B

U.S. trade unions:
labour reaches a
turning point, Page 10

NEWS SUMMARY

GENERAL

Peking plans to launch satellite

China will put its first telecommunications satellite into orbit over the Indian Ocean this year, said Communist Party newspaper People's Daily.

Western defence experts say the satellite, which will have important military and peaceful applications, will be put into "earth stationary orbit" - its speed at a height of 35,800 km above the equator keeping pace with the earth's rotation.

The backwash of China's military capabilities was shown up in its war against Vietnam. Last July Peking said it had developed a rocket that could launch satellites.

Bush fire deaths
Bush fires in Australia killed at least 36 people, injured almost as many more, and destroyed seven towns and hundreds of homes. Large sections of Victoria and South Australia were declared disaster areas.

Reagan headcage
The U.S. Senate foreign relations committee voted 15-2 to delay a decision on the appointment of Kenneth Adelman as arms control director, and urged President Ronald Reagan to choose someone else.

Missile agreement
Britain, France, and West Germany have given the go-ahead for a joint design of anti-tank missiles for the mid-1980s.

Palestine dictum
PLO official in Algiers said that any future Palestinian state would be established in the Israeli-occupied West Bank and the Gaza Strip, with Jerusalem the capital.

German go-ahead
West German constitutional court gave the go-ahead for a March 6 general election, by dismissing appeals against the mid-term dissolution of Parliament after a contrived no-confidence vote. Page 2

Kohl supported
Chancellor Helmut Kohl's Conservative-Liberal coalition would have won if West German elections were held last week, according to a survey yesterday in Stern magazine.

Italian drug sweep
Italian authorities have arrested more than 100 people, mostly in Rome and Milan, in a drive against organized crime, particularly making and trafficking in heroin. Page 2

Burt confirmed
U.S. Senate yesterday confirmed the nomination of Richard Burt as Assistant Secretary of State for European Affairs.

Peres coalition talks
Israeli Labour Party Opposition leader Shimon Peres is having talks with members of the ruling Begin coalition on the possibility of forming a national unity government. Page 12

Drastic measure
A Krakow, Poland, man, angry after row with his wife, put a live 70mm artillery shell in her bed. Police took him for questioning and sent in a bomb disposal squad.

Briefly...
Turks: Funeral took place for the 84 killed in Sunday's cinema fire.
Athens: Fire damaged the Economy Ministry.
Cherbourg: tug rescued 50 sailors from a patrol boat in the Channel.
China: invited Taiwan athletes to train with its Olympic Games squad.

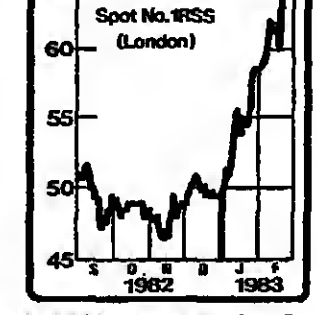
BUSINESS

Caracas hints at exchange controls

VENEZUELAN Finance Minister Dr Arturo Sosa hinted strongly that his Government would soon impose foreign exchange controls in a bid to stem capital outflows, estimated at \$100m a day. Page 12

DOLLAR fell sharply in late European trading. It dropped to DM 2.380 (DM 2.400), FF 6.725 (FF 6.825), SwFr 1.8325 (SwFr 1.854) and Y22.75 (Y23.75). However, its bank of England trade-weighted index, calculated before the close, rose from 118.7 to 118.8. Page 34

STERLING rose 75 points to \$1.549 and from ¥360.5 to ¥360.75, but eased to DM 3.7025 (DM 3.7125), FF 10.4875 (FF 10.52), and SwFr 3.0725 (SwFr 3.075). Its trade-weighted slipped from 80.8 to 80.7. Page 34



RUBBER prices surged in London, with the RSS No 1 spot quotation gaining 3.5p to 66.5 (\$1.03) a kilo. Page 31

GOLD rose \$1 in London to \$308.5. In Frankfurt it fell \$2.5 to \$306.5, and in Zurich it closed \$1 down at \$308.5. Page 31

LONDON: FT Industrial Ordinary index dropped 5.9 to 656. Government Securities were virtually unchanged. Page 27. FT Share Information Service, Pages 32, 33

TOKYO: Nikkei Dow index closed 9.99 up at \$145.41. Stock Exchange index eased 0.26 to 390.23. Page 27, 30

HONG KONG: Hang Seng index gained 12.92 to 944.32. Pages 27, 30

AUSTRALIAN all-shares index edged up 1.2 to 512.2. Pages 27, 30

FRANKFURT: Commerzbank index slipped 3.5 to 776.4. Pages 27, 30

WALL STREET: Dow Jones index closed down 5.67 at 1087.43. Page 27. Full share listings, Pages 28-30.

FRENCH Government is talking to Aérospatiale and Matra about achieving greater cohesion in marketing telecommunications satellites. Page 2

AUSTRIAN prime rate will be cut from 10.75 per cent to 8.75 and housing loans will be cut by ½ per cent.

THAILAND hopes to obtain a World Bank loan of \$175m after talks with bank officials in Washington next week.

FRENCH consortium of 19 companies has won a contract worth more than \$1bn to build an overhead railway system for Nigeria's capital Lagos.

TURKEY has applied to the IMF for a one-year renewal of its three-year \$1.6bn standby agreement which expires in June.

OPEL, the West German subsidiary of General Motors, is to report a net profit of DM 90m (\$4.8m) for 1982. Page 13

INTERNATIONAL Harvester, the ailing U.S. trucks and farm equipment maker, reduced its losses for the quarter ended January by 61.3 per cent to \$287.8m.

HEWLETT-PACKARD, the U.S. electronics group, reported earnings in the first quarter of \$85m (\$73m). Page 13

Volcker stresses reduced role for money supply

BY ANATOLE KALETSKY AND PAUL TAYLOR IN WASHINGTON

MR PAUL VOLCKER, the Chairman of the U.S. Federal Reserve Board, indicated yesterday that money supply targets will play a less dominant role in the conduct of U.S. monetary policy in the year ahead.

But he insisted that his overriding priority remained the control of inflation and strongly suggested that the Fed would not push interest rates downwards. Actions such as a premature cut in the discount rate would only exacerbate the financial markets' fears about inflation, he suggested.

Presenting his semi-annual review of the Fed's monetary policy and targets to the Senate Banking Committee, Mr Volcker pointed out that the "normal" relationship between monetary growth and the economy had broken down in 1982, and warned that these relationships could go on changing in the year ahead.

There were no simple rules which would reliably produce the results of lower inflation and steady economic growth which the Fed was seeking, he noted.

The central bank would have to use more judgement in its conduct of monetary policy than it has in recent years, he suggested to the Committee repeatedly.

With these provisos he announced an unchanged target for the broadest measure of the money supply, M-3, which the Fed will attempt to keep within a 6.5 per cent to 9.5 per cent growth range.

Growth of 7 to 10 per cent is targeted for M-2, the slightly narrower monetary measure, for which the growth target was 8 to 9 per cent in 1982.

Mr Volcker maintained, however, that the one percentage point increase in the target range had "no economic significance" because it was designed to take account of changes in bank regulation which are expected to boost M-2 by about 1 per cent in 1983.

The target range for the narrower money measure, M-1, has been widened to 4 to 8 per cent, from last year's range of 2.5 to 5.5 per cent.

PRODUCTION RISE

U.S. industrial production rose an estimated 0.9 per cent in January - the best showing since an adjusted 1.6 per cent rise in February 1982. The January increase was taken by some economists as showing that the fourth quarter of last year had marked the end of recession. Details Page 4

which was used last autumn the Fed's main operating target. The M-1 target was suspended in October because of distortions to this measure of the money supply.

Mr Volcker noted that "the degree of emphasis on M-1 will be dependent on assessment and predictability of its behaviour relative to other economic measures."

In addition to these monetary targets, which the Fed would "need to judge in the light of developments with respect to economic activity and prices," Mr Volcker also announced a new "experimental" target for total domestic credit creation.

This target, which would cover the growth of all debt owed by the domestic public and private non-financial sectors, has been set at 8.5 to 11.5 per cent.

This credit figure had in the past grown roughly in line with total money spending (nominal GNP). The top of this target range would allow for nominal GNP growth somewhat faster than the Fed's current forecast, which is for nominal GNP growth of between 8 and 9 per cent, in recognition of the fact that some analysts expect a moderate increase in the ratio of debt to GNP in the year ahead.

Continued on Page 12

Europe angered by U.S. 'protectionism' on arms

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT IN LONDON

CONCERN IS growing in Europe that protectionist measures being introduced by the U.S. Congress and by the Reagan Administration are having an adverse effect on the multi-million dollar trade in defence equipment between the U.S. and Europe.

Dr Manfred Wörner, West German Defence Minister, strongly criticised "protectionist provisions" of legislation recently introduced by Congress at a conference in Munich last weekend. He bluntly told U.S. politicians present: "We expect the U.S. Congress to revise these provisions."

Mr Geoffrey Pattie, Minister in charge of procurement at the UK Ministry of Defence, is flying to Washington on Tuesday to convey the British Government's anxiety that a joint U.S.-UK memorandum on arms co-operation is being undermined by the U.S.

Friction between Europe and the U.S. on arms sales stems from the longstanding U.S. propensity to sell much more to Europe than it buys. Memorandums of Understanding were signed by the U.S. and its key

European allies in the 1970s to correct this imbalance, but have had only a patchy success.

A year ago, European criticism was reserved for protectionist legislation passed by Congress, but governments in Europe now appear to feel that the U.S. Administration is itself involved in protectionism which, it is claimed, is undermining industrial collaboration and arms sales.

In Washington Mr Pattie is expected to reinforce complaints already lodged by the British Embassy on specific projects. These include the sale of British aircraft engine seats to the U.S. The British company Martin Baker has a contract, won in open competition, to supply engine seats for McDonnell Douglas's F/A 18 aircraft.

The company has now, however, been excluded from the programme by the 1983 Defence Appropriations Bill, apparently because it is foreign.

But Britain is also concerned that the Pentagon is applying restrictions to industrial collaboration

which threatens to undermine existing agreements between U.S. and UK companies.

It is suggested that the U.S. army is withholding key data needed for UK participation - under the joint memorandum of understanding - for the third phase of the multiple launch rocket system, the next-generation anti-tank weapon.

The Pentagon is also said to be "zealously" scrutinising existing agreements between U.S. and European companies to tighten the rules on the transfer of technology.

Officials say this could prevent Europe exporting weapons systems which involve U.S. components, however small.

This is part of the U.S. drive to prevent the transfer of technology to the Warsaw Pact nations which has gathered momentum after the row with Europe over the Soviet pipeline. However, it appears also to affect exports to non-Pact countries.

Bitterness is growing in Europe. Missiles and the Bonn election, Page 2

IBM and Matsushita discuss plan to set up joint venture

BY PAUL BETTS IN NEW YORK AND GUY DE JONGQUIERES IN LONDON

INTERNATIONAL BUSINESS Machines (IBM) of the U.S. and Matsushita Electric, Japan's largest electronics manufacturer, said yesterday they were starting "detailed discussions" on a joint venture proposal to make information processing equipment in Japan.

The joint venture, if it goes ahead, would be the most important collaboration arrangement to date between IBM and a Japanese company. The proposal is said to envisage joint development as well as production.

The companies said the joint venture might produce terminals, office automation equipment and small business computers.

IBM said the purpose of the talks was to establish a "high-volume, low-cost" operation which would combine IBM's data-processing expertise with Matsushita's mass-production technology.

IBM already has sizable development and manufacturing facilities of its own in Japan, where it ranks second to Fujitsu in computer sales. It also purchases a variety of components and equipment from Japanese suppliers.

It recently negotiated an agreement with Matsushita, which will make a small business computer developed by IBM Japan. IBM also purchases photocopiers from Minolta, which it distributes under its

own name, and buys sub-assemblies from Toshiba for a large facsimile machine which it launched recently.

Matsushita has also been developing a range of office automation equipment designed to handle graphics and including a variety of facsimile machines.

The possibility of a link-up between IBM and Matsushita has been the subject of industry speculation for the past two years. There were suggestions at one point that Matsushita might develop and make a personal computer for IBM, though these were denied by the U.S. company.

Marsh and McLennan to sell underwriting activities

By John Moore in London

MARSH & McLENNAN Companies, the world's largest insurance broker, disclosed yesterday that it was planning to sell all its significant insurance underwriting activities this year. The sale could raise more than £50m (\$77m) for the U.S.-based group and spark similar moves in the transatlantic insurance broking community.

Mr Gilbert Cooke, chief executive officer of Bowring, the Marsh & McLennan subsidiary, said in London yesterday: "We have come to the conclusion that as long as the possibility for conflict of interest exists, it is best to segregate insurance companies from brokers." Brokers buy insurance on behalf of clients.

Mr Cooke said the conclusion had been reached after considering the arguments advanced in reports on the affairs of Lloyd's of London and during Lloyd's legislation.

In New York yesterday, Mr John Hagan, chairman of Marsh & McLennan, said that the move was being made in the "best interests" of clients and shareholders which would be better served by the group concentrating on broking.

The businesses which are being sold showed combined insurance premiums and other revenues in 1982 of \$22m. The companies, which are not consolidated in Marsh & McLennan's financial statements but are reported on an equity basis, contributed about \$1m to the American group's net income in 1982.

The companies for sale include Crusader Insurance and English and American Insurance, both based in the UK. Both companies, which formed part of the C. T. Bowring empire, were acquired when Marsh & McLennan took over Bowring in 1980 for \$560m. Crusader has been part of Bowring since 1984.

Bowring is already in discussions with working underwriters and staff of its Lloyd's underwriting agency activities, which look after the affairs of 800 members of Lloyd's, for a possible buy-out of the company by the agency management. Following legislation promoted by Lloyd's, all brokers are obliged to sell off their interests in underwriting agencies in the Lloyd's market within the next five years.

But Marsh's initiative could lead other brokers to sell insurance company interests.

Lex, Page 12

French plan to reshape state banking

BY DAVID MARSH IN PARIS

FRANCE'S mainly nationalised banking system is to be regrouped to merge some smaller banks, boost competition among the larger institutions and strengthen regional banking, according to a reform programme presented yesterday by M Jacques Delors, the Finance Minister.

The step-by-step package of pragmatic reforms, which was announced only in its broadest outlines yesterday, is aimed above all at strengthening central regulation of the banking system and resolving structural problems among some of the small banks nationalised last year.

The package does not go nearly far enough towards shaking up French banking as some members of the Socialist Government would like. This corresponds to the wish of M Delors, a leading moderate in the Cabinet, to make reforms only gradually and after full discussion.

M Delors told the weekly Cabinet meeting yesterday that the reform centred on four main points. The most important concerns the widening of banking regulation to include all the main categories of French banks under one supervisory umbrella.

Intended to strengthen competition between the different parts of the banking system, this will mean that all deposit-taking institutions - which include the large co-operative and savings networks as well as the mainstream commercial

banks - in future will be treated uniformly.

The Government believes for instance, that uniform treatment will push Credit Agricole, the giant semi-state farmers' co-operative bank, into more active involvement in industrial lending, although it will maintain its prime function in financing agriculture.

The Government is to change the structure of the National Credit Council, the body composed of representatives from diverse sectors of the economy, which debates monetary policy measures, in order to achieve more "democracy." Policy-making power will, however, remain firmly with the Finance Ministry and the Bank of France.

Additionally, banking supervision, presently carried out by the Bank of France and the Banking Control Commission, is to be placed on a new institutional footing to give more formality to powers.

As part of the fourth main point - decentralisation - the Government is to give the credit *industriel et commercial* banking group a majority share and the control in running 10 regional banks which it owned before nationalisation.

The effect of this and a series of other bank restructurings now being negotiated will be to reduce the overall number of separate

Continued on Page 12
Improvement in trade deficit foreseen, Page 2

Hyster makes cuts in Holland, Belgium

BY MARK MEREDITH IN IRVINE, SCOTLAND

THE U.S. Hyster company yesterday announced it would cut production in the Netherlands and sell its Belgian components plant to complete a worldwide restructuring of its forklift truck production.

The company, the world's second largest forklift truck maker (after Balfanz of Bulgaria), made its announcement after it had won agreement from its 500 workers at Irvine, Scotland, to accept a 9.8 per cent cut in basic pay. In return, Hyster will invest £40m (\$61m) in developing the Scottish factory.

The restructuring plan has seen a near-halving of Hyster's staff worldwide, from about 9,000 to 4,900, in a cost-cutting exercise to enable Hyster to fight Japanese competition.

At the Irvine plant, 491 of the workforce voted to accept the pay cut. Staff benefits will also be reduced. Hyster workers in the U.S. took a pay cut last year after the restructuring programme began in August.

Under the restructuring, Hyster will transfer much of the volume range of forklift truck production from Nijmegen in the Netherlands to Irvine. Staff at the Dutch plant will be cut from 540 to about 250. Production of heavyload forklifts will continue in the Netherlands.

Irvine, as part of the plan to give each product line in Europe one source, will produce medium-range models and their various custom-

Continued on Page 12

NOBODY WANTS TO MOVE THEIR BUSINESS

Nobody wants to move their business - to Northampton or anywhere else. Relocating is a hassle. Thinking about it is as far as most firms ever get. And it's not surprising.

Once you start looking it's a jungle out there. Come here. Go there. Lots of choice, on the surface. Just like choosing a holiday resort. Or a new car. Easy. Exciting.

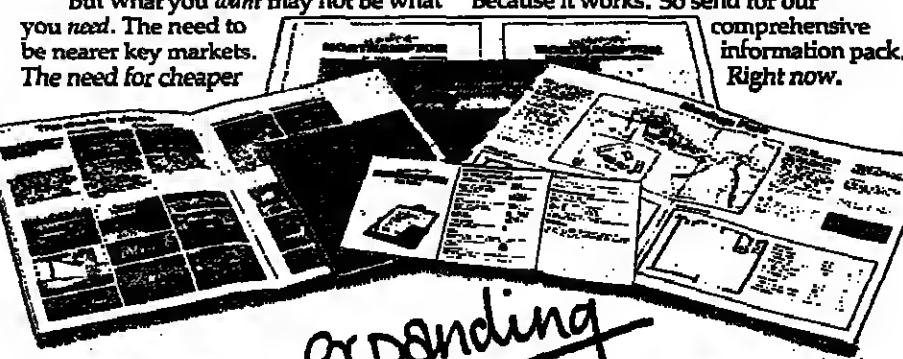
But it's not. It's possibly the biggest step any company ever takes. There's a lot of heart searching goes into it, and even more research. That's why most companies just want to stay where they are.

But what you want may not be what you need. The need to be nearer key markets. The need for cheaper

space. The need to find the right staff. And the big one. The need to expand, to find the room to build on your success.

Nobody wants to move to Northampton. Levi's didn't. Carlsberg didn't. Saab and Barclaycard didn't. Nor did any of the other successful companies that have relocated here. Not until they'd checked out the benefits. Until they'd found out that we can help to take the hassle out, and offer all the advantages expected of an expanding county town.

That's why they moved to Northampton. Because they needed to. Because nowhere else would do. Because it works. So send for our comprehensive information pack. Right now.



expanding
NORTHAMPTON
Contact Donald McLean on 0604 34734
Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN

Europe	2
Companies	13, 26
America	4
Companies	13, 26
Overseas	3
Companies	14
World Trade	5
Britain	6, 7
Companies	22, 23
Agriculture	31
Appointments	15-21
Arts - Reviews	9
World Guide	9
Business Law	22
Commodities	31
Currencies	34
Editorial comment	10
Euro-bonds	24
Financial Futures	34
Gold	31
Int. capital markets	11
Letters	12
Lombard	11
Marketing	6
Market Monitors	27
Men and Matters	16
Mining	34
Raw Materials	31
Stock Markets - Bourses	27, 30
- Wall Street	27-30
- London	27, 32, 33
- London indices	30
Technical Reports	21
Weather	12

U.S. trade unions: labour at a turning point	10
Economic viewpoint: TUC case on unemployment	11
Chicago: Daley tries to claim his inheritance	4
S. Africa: gold works another miracle	3
Germany: village at the heart of missile debate	2
Editorial comment: cruise missiles; the press	10
Lex: Magnet & Southern; ABP; Federal Reserve	12
Lombard: a gamble on inflation	11
Shipbuilding: W. Germans prepare for brutal cuts	5
Buses and coaches: Survey	Section IV

EUROPEAN NEWS

Citroen sacks union representatives after violence at factory

BY DAVID HOUSEGO IN PARIS

CITROEN HAS sacked four representatives of the pro-Communist GGT union at its Aulnay plant who are accused of attacking company staff during a demonstration over pay earlier this month.

All four are Moroccan immigrant workers and the action is considered inflammatory by the GGT and by many of the immigrant workers who are in a majority amongst assembly-line workers at the car plant on the outskirts of Paris.

The management also sacked eight other workers and suspended 14 more for a week following the February 2 demonstration in which 25 people were injured.

Citroen's decision to take a tough line reflects its determination to bring to an end the violence at the plant where skirmishes between assembly-line workers and supervisory personnel have been everyday occurrences.

It believes the violence stems from the agitation of a small number of Islamic fundamentalists who are also members of the Communist party and from the change in union leadership

in the factory. In the wake of the Socialist victory in the 1981 presidential election, the CGT ousted the Citroen "house" union from its almost total control of the workforce.

The risk Citroen takes is that a further prolonged strike at Aulnay could kill the chances of the Peugeot group (of which Citroen is a part) returning to profit this year. Peugeot, with high levels of indebtedness and shrinking capital reserves, is expected to report losses last year of FF2.3bn (£213m).

Under French law special procedures are required to sack the four union representatives, one of whom has a place on the plant's works council.

The company's action follows a much tougher stance by the Government towards disturbances in the car plants of the Paris area where immigrants form a majority on the assembly lines. M. Jean Auroux, the Labour Minister, has spoken of "terrorist" actions by the CGT, and M. Pierre Mauroy, the Prime Minister, has spoken of Moslem fundamentalists being behind the strikes.

Company talks aim at space link-up

BY DAVID MARSH IN PARIS

THE FRENCH Government is holding talks with the country's two prime space companies, Aerospatiale and Matra, to try to achieve greater cohesion in marketing French telecommunications satellites.

The talks, which have been going on for some time and are not yet likely to come to any firm conclusion, are designed to bring the two companies into some form of commercial association to confront strong competition from U.S. manufacturers in selling telecommunications satellites.

Both French companies, which are controlled by the state, have important space manufacturing divisions but have been hit by the slowdown in the world satellite market caused both by recession and by technical hitches.

News of the negotiations comes amid growing pessimism about likely further delay in Ariane, Europe's independent space launching programme, in which the French play a dominant role.

The plan for greater co-operation in French satellites is being encouraged by CNES, the country's national space agency. Prof Hubert Guenée, the CNES president, said recently that Europe had too great a diversity in satellite production. One of his priorities, he said, was to bring about

more "cohesion."

Matra is linked with British Aerospace in the Sotom International satellite manufacturing consortium, while Aerospatiale has agreements with both Messerschmitt of West Germany in the Franco-German Eurosatellite company and with Ford Aerospace of the U.S. These international ties need to be preserved in any case, the French Government believes.

One of the aims of any agreement would be to prevent undue competition between French companies bidding for satellite orders outside Europe.

Some time ago, Aerospatiale and Matra agreed that only the former would bid for a Brazilian satellite order, which was eventually won by the U.S. It was a kind of co-operation which could be enlarged to a more formal partnership, according to industry officials.

European companies started out with high hopes on the world satellite market at the end of the 1970s but so far U.S. companies, led by Hughes Aircraft, have practically swept the board for contracts outside Europe.

European companies have won only one non-European order so far—for the Arab League's satellite, Arabsat. This is being built by Aerospatiale and Ford and is due for delivery next year.

First-half improvement in trade deficit likely

BY DAVID HOUSEGO IN PARIS

FRANCE CAN expect a moderate improvement in its trade deficit in the first half of this year as a result of the drop in oil prices and, possibly, of a continuing slide in the dollar according to Insee, the government statistics institute.

In its latest quarterly report the organisation says the trade deficit should drop to below FF5.5bn (£474m) a month before the end of June, compared with an average last year of FF7.7bn a month.

France's record trade deficit last year of FF8.93bn was the major factor behind the sharp build-up in external debt that is now one of the Government's main concerns.

In contrast to the modest 1.5 per cent expansion of real GNP last year, Insee forecasts that the first six months of this year will be a period of virtual economic stagnation.

It predicts only a slow growth in consumer demand, private sector investment falling, companies allowing a small run-down in stocks, and export markets unfavourable.

In its monthly report published yesterday, the Bank of France also says that companies expect a slight fall in production in the coming months.

The Insee forecasts do not take into account the possible devaluation of the franc which is widely expected after next month's municipal elections, or the further disinflationary measures the Government is expected to take to reduce the level of external and public sector deficits.

In its report, Insee predicted an inflation rate of just under 1.5 per cent for the six months. On an annual basis, this is above the Government's target of 8 per cent and more than twice that of West Germany.

Yugoslav row over banks' debt accusation

By Aleksandar Lebi in Belgrade

MR JANKO SMOLE, Yugoslav minister of foreign debt negotiation, has been openly attacked by two regional banks in the country for saying publicly that they could not meet their debt payments to western banks and that they had turned to the Belgrade authorities for help.

The row would have important political ramifications in this federal country where to take up their home banks' complaints against the central government, in which Mr Smole has responsibility for foreign financial policy.

Under the constitution, the federal parliament, Mr Smole criticised four banks—Stopanska Banka (based in Macedonia), the Investment Bank of Titograd (based in Montenegro), and Kosovo Bank and Vojvodina Bank (each based in the province which bears its name)—for expecting the federal government and the national bank to deal with their foreign payment problems.

Mr Smole said the banks' attitude was financially irresponsible and "untenable, especially at a moment when we expect financial assistance from abroad." Yugoslavia is trying to persuade a number of western governments and central banks that it is putting its financial house in order as a pre-condition for a multi-billion-dollar rescue.

Two of the banks under fire from Mr Smole—those in Macedonia and Vojvodina—have made public their criticism of the minister. They say their request to Belgrade for help was confidential, and that disclosure damaged their credit-worthiness abroad.

It has been no secret that some of these banks have been late recently with repayments to western creditors. But Stopanska Banka from Macedonia has introduced a sharp note of regional rivalry, saying that the central bank, the Yugoslav federation, by implying that Mr Smole was trying to enhance the international standing of some Yugoslav banks by denigrating others, was damaging the country's second-biggest bank, Ljubljanska Banka (based in Slovenia), before he joined the government last year.

One man, on sick leave from the F-15 base at Bitburg, was in favour of cruise missiles. "They have things over us," he said, pointing vaguely at the Soviet Union, some distance beyond the Post Office and the snow, wooded hills of the Eifel. "So we must have them here."

In the fine stone town hall, also reconstructed, Herr Theo Hallett, the Christian Democrat mayor, was, oddly, unavailable. But his office manager, Herr Horst Hansen, confirmed that the town council of Bitburg stood firmly behind NATO's twin-track decision of December 1978.

The NATO decision offered the Soviet Union negotiations on long-range intermediate-range nuclear missiles but warned that if the Soviet Union refused to negotiate, the U.S. would station 1,000 cruise missiles in Western Europe from the end of this year should negotiations in Geneva on reducing nuclear weapons not produce an agreement.

If the Geneva negotiations fail, West Germany will start installing up to 108 Pershing 2 missiles from this year and 96 ground-launched cruise missiles from 1984 or later as its share of the nuclear "catching up" part of the twin-track decision. Informed opinion is all but certain that the Pershing 2s will be stationed at the existing Pershing 1 bases in Baden-Wuerttemberg in the south-west.

Nobody is certain about the cruise sites but Bitburg is the most often mentioned. Unlike the British, the Italians and other hosts delegated to take the missile, the West Germans have not been told.

Bitburg is a symbol of this ignorance, which gives many young people, the peace movement and the "Greens" move-

Bank voices fears over Belgium's recovery

BY JOHN WYLES IN BRUSSELS

AN URGENT call for international co-ordination of economic policies to counter an apparently indefinite world recession is issued today by the National Bank of Belgium.

The dominant tone of the bank's annual report is deep anxiety about Belgium's prospects of securing economic recovery and, indeed, of maintaining its fragile social cohesion in the absence of world economic growth.

If unco-ordinated national policies—some of a "beggar-thy-neighbour" kind—continue to prolong the recession and are not confronted by international action, the bank warns, industrialised countries prosperity will be threatened

and the poorest countries "pushed deeper into their misery."

As far as Belgium's own efforts are concerned, the bank appears to regard them as more satisfactory and credible than in previous years. Its report shows modest progress is being made in curbing runaway growth in public spending and restoring liquidity and competitiveness to the private sector.

Although gross national product fell by 0.7 per cent last year, the overall public borrowing requirement fell from 16.5 to 16.1 per cent of GNP. This is the first break in a rising curve which began in the past decade and accelerated in the

first two years of this one. It was achieved by sharp reductions in public spending growth and by tax increases which produced a bigger growth in government revenues than in outlays for the first time since 1974.

But given the fact that only Ireland has a worse public financing problem than Belgium in the EEC, the bank sees a long hard road ahead before the burden will be eased. Efforts to do so, moreover, "touch profoundly on the human element."

The report counsels against any more large tax increases to cut the budget deficit. This would not only be too deflationary, it would also encourage greater tax evasion, it says.

Last year was the best year for the corporate sector since 1974, according to the bank. Corporate pre-tax income rose from 6.5 per cent of GNP in 1981 to 7.9 per cent—the highest proportion since 1974. Corporate profits rose by 20 per cent at current prices compared to a 6 per cent fall in 1981.

Companies were helped by a higher rise in their sales prices than in unit costs—the latter being held down by the partial de-indexation of wages. The 8.5 per cent devaluation of the Belgian franc last February, together with other currency fluctuations, helped exporters achieve a 13.5 per cent rise in prices and a general improve-

ment in competitiveness, says the bank.

But there has been no recovery in investment. Fixed capital investment in manufacturing stabilised but declines in energy and construction led to a fall in gross fixed capital as a proportion of GNP from 17.7 per cent in 1981 to 17.1 per cent. Belgium's current account showed a slight improvement from a deficit of BFR 200bn (£2.63bn) in 1981 to an estimated BFR 130bn-BFR 150bn (£1.7bn-£1.9bn) last year. Imports stayed fairly level but exports showed a slight increase, suggesting that producers may have improved their shares of overseas markets with the help of the devaluation.

Court gives go-ahead for West German poll

BY JONATHAN CARR IN BONN

WEST GERMANY'S Constitutional Court—the highest in the land—has removed the last remaining doubts that the general election can go ahead on March 6 as planned.

The court yesterday rejected the appeals of four MPs who fell the tortuous path chosen to the election was against the spirit of the constitution.

The decision was greeted with almost audible relief by all parliamentary parties, and by President Karl Carstens who gave his approval last month for a March poll. Had the court decided otherwise—with only 18 days to go to polling day—it would have created at least a highly embarrassing constitutional crisis.

As it was, the court reached its verdict by a 6-3 majority,

showing that, to the end, the path to this election remains highly controversial. It is thus likely that the next session of Parliament will decide on a constitutional change to ensure that a similar situation does not recur.

The problem arose because Chancellor Helmut Kohl's centre-right coalition came to office last October, in the middle of a parliamentary term, through a vote of no confidence in Herr Helmut Schmidt, the then Social Democrat (SPD) Chancellor.

Although the constitution makes it hard to hold a premature poll, Herr Kohl was determined to seek an early mandate from the country. Therefore, he deliberately lost a confidence vote on December 17 to open the way to an elec-

tion, a procedure later approved (with marked lack of enthusiasm) by President Carstens.

The four MPs who went to the court complained, among other things, that Herr Kohl really did have a firm majority in Parliament and that their constitutional rights were being infringed. But the court decided that Herr Kohl had genuine cause to believe that his majority was not secure in the longer run. Above all, the liberal Free Democrat Party—which switched from the SPD to support Herr Kohl—was rent by differences which made its future stance unclear.

At another Bavarian campaign meeting, Herr Hans-Joachim Vogel, the SPD's candidate for Chancellor, adopted more measured tones. Herr Strauss, he said with mock regret, was not the man he used to be.

German history. Particularly trenchant was Herr Franz Josef Strauss, the conservative Bavarian leader, in his traditional Ash Wednesday speech before hundreds of cheering supporters in the Nibelungen Hall in the town of Passau.

Herr Strauss accused the SPD of waging a "spiritual civil war" by claiming that the government parties encouraged peace and disarmament. The SPD, he insisted, had only one real opponent, and that was the truth.

At another Bavarian campaign meeting, Herr Hans-Joachim Vogel, the SPD's candidate for Chancellor, adopted more measured tones. Herr Strauss, he said with mock regret, was not the man he used to be.

James Buchan visits Bitburg a likely site for Nato cruise rockets

Missiles issue flies into the distance

AFTER THE forced gaiety of the carnival, the West German town of Bitburg, close to the Belgian and Luxembourg borders, was in a craggy mood. Nobody really wanted to talk about cruise missiles, even three weeks before a general election in which they have become an important issue.

Among the people wrapped against the cold in the town's reconstructed centre—Roman Catholic, quite prosperous, a little hungover—some did not read the newspapers and others worked at one or other of the two U.S. air force bases outside the town.

One man, on sick leave from the F-15 base at Bitburg, was in favour of cruise missiles. "They have things over us," he said, pointing vaguely at the Soviet Union, some distance beyond the Post Office and the snow, wooded hills of the Eifel. "So we must have them here."

In the fine stone town hall, also reconstructed, Herr Theo Hallett, the Christian Democrat mayor, was, oddly, unavailable. But his office manager, Herr Horst Hansen, confirmed that the town council of Bitburg stood firmly behind NATO's twin-track decision of December 1978.

The NATO decision offered the Soviet Union negotiations on long-range intermediate-range nuclear missiles but warned that if the Soviet Union refused to negotiate, the U.S. would station 1,000 cruise missiles in Western Europe from the end of this year should negotiations in Geneva on reducing nuclear weapons not produce an agreement.

If the Geneva negotiations fail, West Germany will start installing up to 108 Pershing 2 missiles from this year and 96 ground-launched cruise missiles from 1984 or later as its share of the nuclear "catching up" part of the twin-track decision. Informed opinion is all but certain that the Pershing 2s will be stationed at the existing Pershing 1 bases in Baden-Wuerttemberg in the south-west.

Nobody is certain about the cruise sites but Bitburg is the most often mentioned. Unlike the British, the Italians and other hosts delegated to take the missile, the West Germans have not been told.

Bitburg is a symbol of this ignorance, which gives many young people, the peace movement and the "Greens" move-

ment of ecologists and pacifists, a feeling of impotence in the face of the arms race of the great powers.

The town, which was destroyed in 1945 like almost everything else in Germany, has 12,000 citizens. Alongside is the garrison of 2,000 French troops and the 10,000 U.S. servicemen and their dependants at the Bitburg base.

The U.S. 35th Tactical Fighter Group, the town's largest employer, providing jobs for about 800 Bitburgers, outstripping even the famous brewery where the Simon family has been making beer since the early 19th century.

According to Herr Hansen, many old people remember how the building of the base in 1952 gave a boost to the reconstruction of the town. Today, many Bitburg families augment their income by letting flats to Americans.

What terrifies the tiny Peace Initiative Bitburg, with 20 members (including the mayor's son), commands the active support of 1,600 of the population, is that the investment might mean parliamentary works for the cruise missiles.

The initiative was formed in response to an article last September in Stern magazine, quoting information from Washington that the cruise weapons would be installed at a place called "Scout Camp Wiesdorf," a few minutes outside the town.

The camp—actually "U.S. Scout Facility Rittersdorf"—would be too small to take 96 missiles according to Dr Detlev Engle-Bastien, a doctor from Solingen who came to Bitburg last year. He is a leading spokesman of the initiative. Beside the camp are two immense concrete and steel bunkers, where atomic weapons were stored until the early 1960s.

However, Dr Engle said, the U.S. leases a large tract of farmland overlooking above the town which could provide a site for the missiles. He himself believed that the U.S. and NATO have not quite made up their minds.

The town's first response to the Stern report was to appeal for calm but Herr Hallett, the

mayor, wrote to Bonn saying that enough was enough. Bitburg had done its share for peace. Dr Alois Mertes, the Christian Democrat deputy for Bitburg, also wrote to the then Chancellor, Herr Helmut Schmidt, applauding the policy of secrecy over the siting of the missiles but asking that be at least be informed.

When, on October 1, Dr Mertes transferred to the Foreign Ministry as State Minister, he was passed on to the

Foreign Ministry as State Minister.

WEST GERMAN ELECTIONS

6th March

ster, he is reliably said to have

chided officials and demanded definite information. He received none.

Last November, Dr Engle and his friends staged a week-long wake outside the Defence Ministry. They were told by a junior official that Bonn could not publish the sites because the U.S. might object and tell the West German Government even less.

Other officials are more specific, saying that to publish the sites would invite demonstrations which could even lead to scuffles between West Germans and Americans. The very notion fills Dr Engle with horror and he says he wants to continue trying to persuade the deeply conservative local population of the evils and futility of new NATO missiles, rather than invite in hordes of demonstrators from more politically-minded cities.

In Bitburg itself, Dr Engle says, the dominant feelings are "indifference or resignation," a view confirmed by an 18-year-old apprentice in the high street. "When it goes up, it will really go up," he said. "A few more missiles is."

It is confirmed by the election campaign, where the NATO missiles have receded as an issue. From 1979 until very recently, Bonn governments have been propounding the con-

fortable notion of the "zero option," whereby the U.S. would dismantle its entire land-based missile force in Europe as a price for NATO not deploying new missiles. This has the virtue of avoiding deployment in West Germany which, opinion polls show, is what a majority of citizens would like.

However, amid growing fears that slavish adherence to the "zero option" could mean the end of the conservative-liberal coalition of Chancellor Helmut Kohl has been sounding more flexible and the phrase "no all-or-nothing at Geneva," apparently invented by Dr Mertes, has passed into NATO language. In contrast, the Social Democrat candidate, Herr Hans-Jochen Vogel, is focussing on avoidance of deployment by saying that he will work for a solution that makes new NATO missiles "superfluous."

The evidence, however, is that the electorate is having difficulty distinguishing these positions. The Greens, who at least reject nuclearisation out of hand, are meanwhile hampered by inexperience and by popular suspicion that policies they would adopt on jobs and other issues.

The unconvinced and the confused may be tending to wait and see, comforted by the fact the Geneva negotiations are still plodding on and by Herr Kohl's success in showing, through the visit of Vice-President George Bush, that the U.S. is seriously interested in a solution at Geneva.

Yet the issue has merely slid down the list of concerns. Officials in Bonn are privately convinced that there will have to be some token stationing of the new missiles to make the Soviet Union budge from its stance.

The peace movement in general, and Dr Engle in Bitburg, are planning a graduated series of protests as the deadline for deployment approaches. On the other side, the officials say that whatever cuts in the programme are made as part of the talks with Moscow, the first deadline is in April.

The Bonn government has now received information that Italy is two months behind in its preparations for receiving the cruise missiles. In these conditions, West Germany faces the extremely unwelcome prospect of being the only Continental European state to start stationing on time.

German history. Particularly trenchant was Herr Franz Josef Strauss, the conservative Bavarian leader, in his traditional Ash Wednesday speech before hundreds of cheering supporters in the Nibelungen Hall in the town of Passau.

Herr Strauss accused the SPD of waging a "spiritual civil war" by claiming that the government parties encouraged peace and disarmament. The SPD, he insisted, had only one real opponent, and that was the truth.

At another Bavarian campaign meeting, Herr Hans-Joachim Vogel, the SPD's candidate for Chancellor, adopted more measured tones. Herr Strauss, he said with mock regret, was not the man he used to be.

The hint was dropped in talks which Herr Uwe Rönneberger, the chairman of the West German parliamentary committee on inner-German relations, had with Herr Günther Mittag, a member of the East German politburo responsible for the economy.

Herr Mittag stressed that East Germany regards the currency exchange as an "economic problem." Herr Rönneberger called it "political."

Herr Mittag's remark was seen as a signal of East Berlin's willingness to talk to Bonn about finding an economic solution to this issue—particularly as the remark was made to Herr Rönneberger, a prominent member of the liberal Free Democratic Party (FDP) in the Bonn coalition government.

The FDP is emphasising in the current West German election campaign, its role as a champion of a policy of opening lines to the East.

The West German politician told Herr Mittag that "regular consultations" should take place between the West German Chancellor, President Erich Honecker of East Germany. The latter has a standing invitation to make his first official visit to West Germany, but this is not expected to happen until the political atmosphere between the two countries improves.

Herr Mittag spoke of the importance of "continuity" in relations between Bonn and East Berlin. Herr Rönneberger said it was his impression that East Germany is playing the situation to its relations with West Germany, and that it is somewhat unsure about the present Bonn Government.

'No change' in Polish debt policy

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE SHAKE-UP in the top management of Bank Handlowy, the foreign trade bank which handles Poland's debt negotiations with Western banks, does not portend any change in Polish policy on debt rescheduling, according to Mr Jerzy Urban, the government spokesman in Warsaw.

Mr Kazimierz Glazewski yesterday was appointed head of the bank to succeed Mr Stanislaw Kobak. It was also learnt that Mr Jerzy Malec has been appointed vice-president of the trade bank to replace Mr Jan Wolosyn, who is to become one of the two joint heads of Centrobank, a Vienna-based commercial bank in which Bank Handlowy has a stake along with four Western banks, including

Kleinwort Benson of Britain. Appointment of Mr Glazewski and Mr Malec, who have both served in the Polish national bank, prompted some speculation that the Jaruzelski Government might be trying to achieve closer co-ordination between policies on commercial debts with Western banks on the one hand, and to Western governments, EFTA observers also noted that Mr Wolosyn was never a member of the Communist party.

But the simplest explanation is that the Warsaw Government has turned to Mr Glazewski for the Western banking experience and contacts he has gained by working for the past eight years at Centrobank in Vienna,

partly to offset the long expected departure of Mr Wolosyn. The latter, aged 70, wanted to retire several years ago, it is understood, but was prevailed on to stay to cope with at least the first onslaught on Poland's debt crisis.

Reuter adds from Frankfurt: A small group of Western commercial bankers yesterday began informal talks in Warsaw with officials of Bank Handlowy and the Finance Ministry, bankers said here.

The talks are aimed at establishing a timetable for fresh discussions on commercial debt rescheduling, probably taking in 1983-85 maturities, in view of this week's changes in senior management at Bank Handlowy they added.

Successor proposed for leader of metalworkers

BY STEWART FLEMING IN FRANKFURT

THE MANAGING board of IG Metall, West Germany's most powerful union, has proposed that Herr Eugen Loderer be succeeded as leader by Herr Hans Mayr, his 61-year-old deputy. Herr Loderer retires this year.

But in a move which will be widely interpreted as signalling a shift to the left in the union's policies, the board has also proposed that Herr Franz Stelzner, the head of the union's Stuttgart region, should take Herr Mayr's place on the board. Assuming the proposal is approved, this proposal will be put to the union's triennial conference in

October. Herr Loderer has headed the union for 10 years.

Herr Mayr will only be able to serve one three-year period of office before he has to retire at 65. In that period, Herr Stelzner, who will be 46 in May, is widely expected to consolidate his claims to the leadership.

In the union as a man whose hard line reflects much his ambitions as his convictions. Meanwhile, the West German metal industry employers yesterday raised their wage offer to 2.5 per cent. The offer was made in the third round of negotiations

Business Class to Athens is a big seat.

Every day from London 26 big, wide, private Business Class seats in Olympic Airways A300 Airbus. Plus superb wining and dining, priority check-in desk and boarding and extra baggage allowance. Remember Olympic Airways Business Class. You'll never forget it.

OLYMPIC AIRWAYS

Every day from London 26 big, wide, private Business Class seats in Olympic Airways A300 Airbus. Plus superb wining and dining, priority check-in desk and boarding and extra baggage allowance. Remember Olympic Airways Business Class. You'll never forget it.

141 New Bond Street, London W1. Tel 01-493 7262. Prestel: 3441580.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$420.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

OVERSEAS NEWS

Assam police killed in mishap

NEW DELHI — Assam state police yesterday shot and killed three paramilitary policemen brought into their violence-torn state from elsewhere in India to help supervise controversial elections, authorities said. The shooting was described as a "misunderstanding." AP reports.

Twenty other deaths were reported across the remote northeastern state as the Government pressed on with preparations for the second round of voting today. The unofficial death toll from two weeks of ethnic and political upheaval reached 298, reports said.

The fatal shooting of three Central Reserve Police Force members occurred when Assam state police "due to some misunderstanding created by miscreants opened fire," a Government statement said.

The "miscreants" were not further identified nor was the misunderstanding between the two police forces. The situation was brought under control after top officials rushed to the scene of the shooting at Gopura, 130 km west of Gauhati, Assam's main city, the statement said.

An estimated 70,000 Central Reserve and other paramilitary police units have been flown and trucked into Assam from other Indian states to oversee the election, called over the opposition of a powerful movement of native Assamese agitating against outside settlers.

India is to help Algeria to establish a wide range of engineering industries including those making light vans, tractors, cranes, machine tools, industrial piping and pressure vessels, K.K. Sharma writes.

Australian Labor outlines election platform

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN Labor Party yesterday outlined an election programme that included cuts in income tax, a boost to public works spending, continued industrial protection, and a promise to revitalise the stricken steel industry.

The plan was announced by Labor's new leader, Mr Bob Hawke, at the Sydney Opera House, it coincided with Gallup poll results showing that Labor is opening up an impressive lead over its Liberal-National Party rivals. The election is on March 5.

The net additional first-year cost

of Labor's election proposals, Mr Hawke said, was A\$1.5bn (US\$1.48bn). This compares with A\$568m for proposals outlined by Liberal Party Prime Minister, Mr Malcolm Fraser, in Melbourne on Tuesday.

The key element of the tax package is the offer of immediate reductions in income tax for almost all taxpayers, with a new six-step tax scale and an increase in the tax-free threshold to A\$5,000.

There would be major new concessions for small businesses, and a

concerted attack on tax avoidance and evasion.

Mr Hawke repeated his vow that there would be no new capital gains tax under Labor.

On prices and incomes, he said Labor had reached a "historic accord" with the unions that would form the basis for a genuine and workable prices and incomes policy.

"The whole thrust of our policy is to attack the twin evils of unemployment and inflation," Mr Hawke said. He promised a streamlined pricing surveillance authority, stronger trade practices legislation,

and a return to centralised wage fixing.

Mr Hawke said his party would maintain a viable and efficient steel industry and would immediately review the need for additional short-term help to selected industries. He added that current long-term plans for protection of the motor vehicle, footwear, clothing and textile industries would be maintained.

Mr Hawke said his party would maintain a viable and efficient steel industry and would immediately review the need for additional short-term help to selected industries. He added that current long-term plans for protection of the motor vehicle, footwear, clothing and textile industries would be maintained.

Mr Hawke said his party would maintain a viable and efficient steel industry and would immediately review the need for additional short-term help to selected industries. He added that current long-term plans for protection of the motor vehicle, footwear, clothing and textile industries would be maintained.

credible improvement to our strategic position."

Mr Hawke said it was time for "controlled, responsible stimulation of the Australian economy," and warned that the problems facing the country were "deep-seated, complex and challenging."

Yesterday's Gallup poll, in The Bulletin magazine, shows Labor leading the coalition partners by 52 per cent to 41 per cent, with 5 per cent supporting the Australian Democrats.

The poll, conducted on February 5-6, immediately after the election

was called, vividly demonstrates Mr Hawke's ascendancy.

He has attacked from the start, and campaigned skilfully. In 1980, however, the Coalition partners staged a late rally in the week before the election, and neither Labor nor Mr Hawke is underestimating Mr Fraser's ability to fight back.

Repeating the rallying cry of his campaign to date, Mr Hawke said Australia needed long-term national solutions.

"Above all, we need a genuine co-operative approach between government, business and unions."

Minister attacks Zimbabwe's judiciary

By Our Harare Correspondent

THE ZIMBABWE High Court has—for the second time in a week—come under fire from a government minister for its failure to convict alleged spies.

The country's main newspaper, the Herald, yesterday published an interview with Dr Herbert Ushewokunze, Home Affairs Minister, which carried a strong attack on Mr Justice Squires, who is hearing the treason case against seven leading members of Mr Joshua Nkomo's opposition Zanu Party.

In the interview, the minister accused the judiciary of double standards, arguing that the courts were acquitting people when in the Smith government's time would have been convicted.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Dr Ushewokunze's criticism has upset lawyers in Harare who are concerned at the possible implications of such a public statement while Judge Squires is hearing the vitally important treason case.

The minister's strong criticism comes days after Mr Emmerson Munagagwa, minister of state for security, criticised another judge, Mr Justice McVally, for acquitting two white security police on charges of spying for South Africa.

Lebanese troops under orders to shoot all Beirut 'outlaws'

BY NORA SOUSTANY IN BEIRUT

THE LEBANESE Foreign Minister, Mr Elie Salem, announced yesterday that the Lebanese army had orders to shoot anyone interfering with its control of greater Beirut, and indicated that the order included the Israeli army, if a conflict arose.

"The army has instructions to shoot to act like an army and not to negotiate with out-

laws," he said. "Every force that will encounter the army in the greater Beirut area, whether it is formal or informal, is in the context of Lebanese law an outlaw."

His statement followed an incident yesterday in which an Israeli patrol was involved in a 30-minute argument at a Lebanese roadblock near the residential area of Monteverdi,

5 km east of Beirut. The Israeli military command claimed the Lebanese soldiers tried to bar the Israeli patrol from continuing, but the Israelis broke through. Lebanese army officials, however, said the Israeli commander was radioed and ordered to turn back.

Mr Salem emphasised that the expansion of the Lebanese army into East Beirut and its out-

skirts was an "internal Lebanese affair" and that the army was asked to go into Beirut on Monday "irrespective of the challenges it might face on the way."

He added that the multinational peacekeeping force, made up of U.S., French, Italian and British troops, was expected to move into East Beirut as soon as word was received from their governments.

Mr Salem said he expected the number of the multinational peacekeeping force of 4,800 men to be doubled to between 9,000 and 10,000 and the United Nations interim force in Lebanon (Unifil) deployed in the south to be raised from a little over 6,000 to 14,000.

Mr Salem said reports that agreement had been reached

with Israel over the position of rebel commander Majmr Saad Haddad were incorrect.

Majmr Haddad has moved in force into Sidon and Nabatiyeh. But reports from Jerusalem that Lebanon and Israel have agreed that the militia of the renegade commander should be integrated into the Lebanese army, were untrue, said Mr Salem.

Thais set for World Bank loan

BY JONATHAN SHARP IN BANGKOK

THAILAND will seek, and almost certainly obtain, a World Bank loan of \$175m (£113.7m) during talks in Washington from next Tuesday, Thai Bank officials said yesterday.

Unlike many World Bank loans, the funds in the Thai one will not be tied to a specific development project in Thailand, but will finance a package of measures for economic structural adjustment.

According to the Thai Government, the funds will help

to cover the country's perennial trade deficit, which was about \$1.7bn last year. A loan from the International Monetary Fund has also been obtained for the same purpose.

The World Bank money will also be used to try to improve Thailand's antiquated and inadequate system of tax collection, which is a cause of regular shortfalls in government revenue.

The deficiencies of the Thai tax system were embarrassingly exposed at the start of this year when a list of the

country's 250 top individual taxpayers was issued. More than half the names were of foreign residents. There was a conspicuous absence of many rich Thais, who had slipped through the system's many loopholes.

The World Bank loaned \$700m to Thailand last year, and plans are afoot to emulate that figure this year. Thailand is highly regarded by the World Bank, whose chief representative here enthusiastically refers to the country as "an economic sleeper."

THE Indian Government is examining major changes in industrial policy to allow the so-called large "monopoly" houses in the country to invest in selected sectors considered vital for rapid development.

Officials have discussed the possibility of drawing up a list of industries of such importance, and their recommendations will be studied by the cabinet.

The present policy is to restrict the expansion of the large industrial houses covered by the Monopolies and Restrictive Trade Practices Act (MRTP), which defines them as com-

panies with assets of more than Rs 200m (£13.3m). This ceiling was fixed more than two decades ago and has effectively inhibited fresh investment. It has long been recognised that the definition is out of date, but proposals to raise the ceiling have never been acted upon.

Such companies are already allowed to expand their operations in export-oriented areas in industrially backward regions.

The proposal now being examined in liberalise the policy involves drawing up a list of

sectors considered nationally important in which the large companies would be allowed to invest freely for a period of five years.

Industries considered so far are those in which small entrepreneurs would not have the capacity to invest, mainly capital intensive and those in which additional capacity is needed to overcome shortages. About 40 sectors have been examined, but it is thought that the final list will be much shorter.

There is no proposal yet to allow foreign companies to invest in the new list of industries.

Ethiopia liberalises investment stance

NAIROBI—Ethiopia has liberalised its foreign investment policy in what is a marked ideological change for President Mengistu Haile Mariam's Marxist leadership.

The changes, announced in the Ethiopian official gazette, mean that joint ventures will be permitted between the state and foreign investors, who could retain up to 49 per cent ownership. The government would retain at least 51 per cent.—AP

Pretoria takes cautious view of cheerful economic atmosphere

BY J. D. F. JONES IN JOHANNESBURG



Mr Owen Horwood, Finance Minister

LAST NOVEMBER, to the fury of the United Nations and much of the Third World, South Africa was granted a \$1.1bn (£714m) IMF loan. At that time, barely three months ago, Pretoria was protesting its urgent need of balance of payments finance and a stiff dose of IMF medicine. A team from the Fund is expected here very soon and will discover that the atmosphere is transformed.

A week ago, Mr Owen Horwood, the South African Finance Minister, boldly announced the abolition of the dual exchange rate system in a move which has been widely seen to reflect confidence in the state of the economy.

His timing seems to have worked. There has been no panic flight of international investment; the rand has held its planned 5 per cent fall; even the Johannesburg Stock Exchange has kept its nerve. The men from the Fund may well be wondering what all the fuss was about last November.

The South Africans based their appeal to the IMF on the premise that the gold price would average \$315 an ounce. The price this past month has been flirting around the \$500 mark. In the third quarter of 1982 it averaged \$380 and in the fourth quarter—when as the IMF executive directors were meeting—it averaged \$427. Not for the first time, and surely not for the last, gold was the miracle worker.

The main objective of the IMF programme of conditions which Pretoria appears to be carrying out eagerly, was to reduce South Africa's current account deficit in 1983 to SDR 1.4bn (£870m). In fact the balance of payments has turned around so fast that the deficit was eliminated by the fourth quarter of last year and 1983 is forecast to produce a current account surplus of Rand 2bn-3bn (£1.1bn-£1.7bn).

The South Africans themselves have remarkably little idea about what the gold price is going to do. In June 1982, when the price touched \$298, nerves were badly strained in Pretoria; this is the time when the first feelers were put out to the Fund staff secretly (the directors have complained that they were kept in the dark).

Gold is still of such importance to South Africa that for policy makers, the task of directing the economy must be rather like driving a car whose steering and brakes work but whose accelerator has a life of its own.

Mr Horwood has a popular calculation—that a movement of \$100 on the gold price produces a Rand 2bn movement on the balance of payments and about Rand 1bn on his revenue revenue—which illustrates the scale of the phenomenon.

South Africa's influence on the price is not what one might expect. Traditionally, the Republic's gold sales have been fairly stable, and while the Reserve Bank may intervene in the short-term (for example, it was rumoured to be prepared to withhold supplies from the market last week), it is doubtful whether it could check or reverse a fundamental price movement.

Whether the South African Government would have gone to the IMF if they had known what lay ahead—or if they had had more faith in the revival of gold in September and October—is fascinating but academic.

A change in the gold price has a direct impact in three ways.

● Since gold traditionally accounts for 40-50 per cent of South Africa's total exports, it has a basic importance to the balance of payments. The rising price has already transformed deficit into surplus for the 1983 current account.

As the world recession arrived in South Africa, the 1980 surplus of Rand 3bn turned into a 1981 deficit of Rand 3.7bn; hence the original force of the argument that there was a balance of payments "need" to justify recourse to the Fund. The 1982 figures are not yet available but the reserve bank has let it be known that, after running at an annualised rate of a Rand 6.5bn deficit in the first quarter, the situation has been reversed to an annualised surplus of Rand 1bn in the fourth quarter.

This was achieved thanks to a combination of a belated but sharp reaction to the import bill and, of course, the fundamentally valuable recovery in gold earnings. As the latest Standard Bank Review puts it: if the present \$500 price holds for this quarter, it will yield gold earnings Rand 1bn higher for the quarter than for the second quarter of 1982. One might add that, if the price rises, and if the western economies begin to recover and so help South Africa's non-gold exports—then the current account surplus for 1983 is going to reach Rand 3bn.

As the January figures for gold and foreign assets demonstrate, the regular revaluation of the gold content in line with the market—in January the value was increased from Rand 437 to Rand 474 per ounce—by itself led to an increase in the reserves of Rand 285m without any significant change in the volume of the holdings.

The rise of total reserves to Rand 4.5bn was cited by Mr Horwood as one of the main reasons for the currency move.

● Secondly, a recovery in the gold price has a direct impact on exchequer revenues and on Mr Horwood's Rand 180n budget for 1982-83. He can now

look forward to a windfall, thanks to the recovery in the complex system of gold-mining taxes.

In his budget last March, Mr Horwood warned that receipts from the gold mines for 1982-83 would probably fall to R900m compared with R2.2bn the previous year. It now looks as if he can expect to get roughly double that figure, which will be useful in the coming weeks when he turns to parliament for Additional Appropriations to fund departments which such is the expense of administering the apartheid system.

It is finding it hard to stick to the 11.5 per cent increases allotted them a year ago.

Similarly, as his officials will be discussing with the IMF team, a reasonable confidence that the gold price is going to stay at around \$500 will be helpful as he drafts the budget he is to deliver at the end of next month.

● Third, the rising gold price has its impact on the mining industry itself. Last year the mines' spending programmes were cut right back. With the price heading over \$500, expansion plans can in many cases be resumed; for example, shaft sinking at Western Holdings' R350m Erifield project was inaugurated last month, for completion in 1987. The life of marginal or dying mines can now be extended; no mine is presently taking state assistance.

All of this may seem to suggest that South Africa is riding high again. That would be very premature. Certainly, the revival of the gold price has caused something close to euphoria here (witness the behaviour of the Johannesburg Stock Exchange in recent months, where the All Golds index tripled between June 1982 and January 1983).

But Mr Horwood and his officials have had to continue to emphasise that 1983 is going to be a difficult year. Most economists are still forecasting negative growth rate for the year, exports are stagnant and consumer confidence is still falling.

Dr Joep de Loor, the Director-General of Finance, tried to put things in perspective the other day when he warned: "As long as the present international recession continues it would be unrealistic to expect an upswing of any significance in the South African economy."

And he added cautiously, South Africa doesn't influence the gold price...

Find out why moving a business to Wales is a real snip.

I understand that there are considerable financial incentives for a business moving to Wales, including risk capital, low interest loans, and grants.

Please tell me more. FT/C/B3

Name _____

Position _____

AMERICAN NEWS

U.S. industrial output up 0.9% during January

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REAGAN Administration yesterday gained fresh backing for its claim that U.S. economic recovery is under way with news that industrial production had risen by an estimated 0.9 per cent in January. It was the best showing since an adjusted 1.6 per cent rise in February 1982.

The January increase, which followed a revised 0.1 per cent rise in December, was taken by some economists as showing that the fourth quarter of last year had marked the end of recession.

Announcing the latest figures, the Federal Reserve Board said that if November was the last month of recession, industrial production would have fallen 12.4 per cent from the start of the downturn in July 1981—against a decline of 13.5 per cent in the 1974-75 recession.

The Fed told Congress that its Open Committee was projecting an increase in real GNP of 3.5 to 4.5 per cent in the fourth quarter of 1982 as "a central tendency." The full range of possible estimates was

wider, at 3.0 to 5.5 per cent, it said.

Mr Martin Feldstein, chairman of President Ronald Reagan's Council of Economic Advisers, told another Congressional committee that the outlook was still uncertain, but that the Administration was expecting growth of 3.1 per cent over the same period.

Mr Feldstein said that this was a "balanced and cautious" forecast. He thought that it would still be some time before it is certain that recovery has begun, because interest rates were still high and the strength of the dollar was having a major effect on trade.

The Fed said that in both December and January there had been large increases in the output of motor industry products and defence and space equipment. In January, the production of construction supplies and of basic metals, particularly steel, also advanced sharply.

The increases over the last two months followed a fall of 0.7 per cent in November and an original forecast of a decline of 0.1 per cent in December.

On the basis of present U.S. prime and Libor rates, Wharton estimates that Mexico will save \$2.4bn in interest payments this year on its public sector's \$60bn foreign debt. Service of the public sector debt will cost \$7.1bn, compared to the \$10bn which it reckoned in its last report in November, Wharton calculates.

The current account deficit will come down from \$3.5bn in 1982 to \$2.5bn, which would be within the IMF's parameters, the forecast states.

The main problem ahead, says Wharton, is a dramatic increase in unemployment, which is one consequence of sticking to the IMF programme for mending the economy.

Despite the government's new programme to create 700,000 new jobs in depressed areas this year, the number of jobs will fall by 0.5 per cent, while a rise of about 4 per cent is needed just to hold unemployment at its present level.

Mexico's birth rate is very high and more than 40 per cent of 20.3m people in the labour market are without regular jobs.

Mexican economy 'to shrink 3.2% this year'

By William Chislett in Mexico City

MEXICAN gross national product will decline by 3.2 per cent in real terms this year, after 0.7 per cent negative growth in 1982, and the inflation rate will only fall from 95.8 per cent to 74 per cent, according to the latest report on the country by Wharton Economic Forecasting Associates of the U.S.

Wharton's detailed macro-economic model of Mexico, based on official figures, takes into account a \$2.25 drop in the average price per barrel of Mexican oil, which accounts for 80 per cent of export revenue. Oil analysts, however, are predicting that the price could drop further.

Such a drop would mean that Mexico would earn \$15.27bn from oil this year—\$347m less than in 1982. Wharton is basing this figure on expectation that Mexico would export 1.5m barrels per day (b/d)—100,000 b/d more than in 1982.

Wharton believes that a price fall of such a size would not be a big problem for Mexico in its efforts to stick to its austerity programme, worked out with the International Monetary Fund (IMF). The forecast says that the effect of the drop will be more than offset by a decline in international interest rates.

On the basis of present U.S. prime and Libor rates, Wharton estimates that Mexico will save \$2.4bn in interest payments this year on its public sector's \$60bn foreign debt. Service of the public sector debt will cost \$7.1bn, compared to the \$10bn which it reckoned in its last report in November, Wharton calculates.

The current account deficit will come down from \$3.5bn in 1982 to \$2.5bn, which would be within the IMF's parameters, the forecast states.

The main problem ahead, says Wharton, is a dramatic increase in unemployment, which is one consequence of sticking to the IMF programme for mending the economy.

Despite the government's new programme to create 700,000 new jobs in depressed areas this year, the number of jobs will fall by 0.5 per cent, while a rise of about 4 per cent is needed just to hold unemployment at its present level.

Mexico's birth rate is very high and more than 40 per cent of 20.3m people in the labour market are without regular jobs.

Reginald Dale in Washington on Tuesday's Democratic primary in Chicago

Daley Jr battles for the Boss's fief



Mayor Byrne: own city hall machine

FOR 21 YEARS, until his death in 1976, Mayor Richard Daley ruled the U.S.'s second largest city like his own personal fiefdom. His name became synonymous with an all-powerful political machine. Presidents courted his favours.

"Boss" was the simple title of one of his biographies.

Now his eldest son has come to try to claim the family inheritance—as everyone in Chicago had always expected. He is not, however, finding it so easy.

The contest that Mr Richard Daley Jr has to win is the Democratic mayoral primary in which voting takes place on Tuesday.

The winner then has to officially go through the hoops on April 12 against a token Republican challenger. In this case Mr Bernard Epton, a 61-year-old insurance lawyer. The result is considered to be a foregone conclusion. Chicago does not have Republican mayors—or at least it has not since 1931.

Mr Daley's problem is that Chicago already has a Democratic mayor, Mrs Jane Byrne, and she does not remotely entertain the thought of abdicating in favour of the heir apparent.

On the contrary, Mrs Byrne has used her four years in office to amass a campaign chest of nearly \$10m, an amount unmatched even in many presidential primaries. She has perhaps \$4m to \$4.5m left to spend on her bid for re-election. Mr Daley has gathered a more modest \$1.5m to \$2m.

Mrs Byrne, 47, has built up her own city hall machine, admittedly less powerful than the once all-embracing Daley juggernaut, and has ousted

Daley supporters like a cuckoo taking over another bird's nest. Recent opinion polls show her drawing ahead after a period in which she and Mr Daley were running neck and neck with between one-third each of the potential vote.

It is not, however, a two-horse race. Mr Harold Washington, a 60-year-old Congressman, is bidding hard to become the city's first black mayor. Earlier polls put him in third place, with perhaps 15 per cent of the vote, although one of the more recent shows him edging in front of Mr Daley.

But Chicagoans are distrustful of opinion polls since last November's race for Governor of Illinois, in which Mr James

Thompson, the Republican incumbent, scraped home by only the narrowest of margins after the polls had shown him leading by as much as 20 percentage points.

Mr Washington's main problem is a shortage of campaign funds—he probably has considerably less than \$1m—and a tradition that has given blacks much less political power than their 42 per cent share of the city's population would justify. Whites account for 41 per cent—making everyone a minority.

As an obscure city department head, and a former insider in the Daley machine, she spent just \$125,000 to upset the former mayor, Mr Michael Bilandic, in 1979. Since then, she has lavished money on charities and good works, and in the election run-up produced 3,800 temporary public works jobs, free ham for the poor at Christmas, the biggest street re-surfacing programme in the city's history and more frequent rubbish collections.

"I expect that by February," Mr Daley complained, "you'll be able to open your door, toss out your garbage and someone will be there to catch it."

More seriously, Mrs Byrne claims to have restored the

city's finances to a healthier position than that of any other major U.S. city, after inheriting a mountain of problems, and without a major tax increase. The city's credit rating is riding high.

Her enemies accuse her of impetuosity and irritability. In her first term, they say, she went through three police superintendents, three chiefs of staff, three planning directors, four budget directors and five press secretaries.

The Chicago Tribune, endorsing Mr Daley, calls her "a combative and unpredictable bully." There was serious concern both at home and across the nation about whether Chicago was still a good place to live and do business, it said.

National Democratic leaders have been jumping on the bandwagon, although

Chicagoans are not sure what good it will necessarily do them. In payment of political debts, Mr Teddy Kennedy has endorsed Mrs Byrne, while former Vice-President Jimmy Carter has endorsed Mr Daley.

Mr Mondale's move upset black leaders in the city, home of the first Democratic candidate for 1984, has given his support to Mr Daley. Mr Mondale's move upset black leaders in the city, home of the first Democratic candidate for 1984, has given his support to Mr Daley.

Senator Gary Hart of Colorado, another 1984 hopeful, was accused to remarking that as each candidate now had his own backer, he would support all three. It is hard to see how he can be wrong, even if he also wins the top prize for cynicism.

Reagan 'preparing to run in 1984'

LOS ANGELES — President Ronald Reagan is clearing his 1984 calendar for a re-election campaign, and congressional candidates in his Republican Party have been advised not to rely on his help in 1984 because he will be busy with his own re-election effort.

Mr James Baker, the White House chief of staff, was quoted in the Los Angeles Times yesterday as saying that he had clear Mr Reagan's calendar after conferring with the President, who will be almost 74 when his current term ends, and other White House staff.

"I told the president what I was going to do, and he said, 'fine,'" Mr Baker said. "This approval was 'an objective sign' that Mr Reagan will run for re-election, the chief of staff said.

AP

Conoco cuts price of crude by \$1

By Ray Dafter, Energy Editor

CONOCO yesterday cut the price of its U.S. crude oil by \$1 a barrel, putting further pricing pressure on the international oil industry.

The company is the latest in a line of U.S. oil companies—behind Texaco, Phillips, Ashland and Marathon among others—to lower prices in the face of depressed demand and low spot market rates.

The reduction means that the price Conoco is willing to pay for West Texas Intermediate oil is now \$30.

This is the second \$1 price cut within the past few weeks, reflecting the general declining value of crude oil to refiners.

Internationally, the oil market is in a state of pricing limbo and members of the Organisation of Petroleum Exporting Countries are waiting for British National Oil Corporation

VOLCKER TESTIMONY TO CONGRESS

Fed tries to reconcile stability and growth

BY PAUL TAYLOR IN WASHINGTON

Mr Paul Volcker, the Federal Reserve Board chairman, yesterday reviewed U.S. monetary policy in 1982, and told the Senate Banking Committee of the Fed's monetary targets for 1983. The following is an excerpt from his remarks:—

"OUR objective is easy to state in principle—to maintain progress towards price stability, while providing the money and liquidity necessary to support economic growth.

"In practice, achieving the appropriate balance is difficult, and a full measure of success cannot be achieved by the tools

"The year 1982 amply demonstrated some of the problems facing monetary policy during a period of economic and financial turbulence, and the need for judgment and a degree of flexibility in pursuing the objectives we set for ourselves.

"In establishing its various ranges at the start of 1982, the Federal Open Market Committee specifically noted that a number of factors, institutional and economic, would affect the relationship of monetary and credit growth to the GNP, and contemplated that M1 in particular, could deviate from expected patterns for a time in the event of economic and financial uncertainties fostered by unusual desires for liquidity.

"In the event, M1, after moving close to and within the target range around mid-year, grew much more rapidly later, ending the year with growth of about 8½ per cent, substantially higher than in 1981, and above the target range.

"Both M2 and M3 tended to rise through the year somewhat more rapidly than the targets contemplated, averaging in the final quarter about 3 per cent above the upper end of the target range.

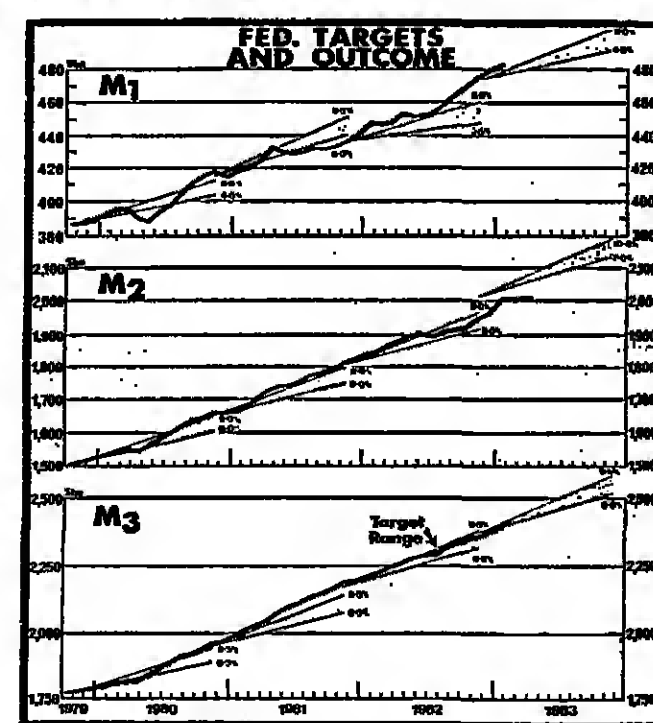
"In the light of the clear indications that velocity was declining more rapidly than in earlier recession periods, the absence of recovery during 1982 and recurrent strains in the financial markets, 'above target' growth was accommodated in the conviction that policy, in practical effect, would otherwise have been appreciably more restrictive than intended in setting the targets.

"An important further consideration during the final quarter was that some of the monetary aggregates were greatly influenced by purely institutional factors.

"In setting out our monetary and credit objectives for 1983, the Federal Reserve has had no choice but to take into account the fact that 'normal' past relationships between money and the economy did not hold in 1982 and may be in the process of continuing to change. Part of the problem lies in the ongoing process of deregulation and financial innovation that has resulted in a new array of deposit and financial instruments, some of which lie at the very border of 'transactions' and 'savings' accounts, defying clear statistical categories.

"Perhaps more significant over longer periods of time, both economic and regulatory change may affect trend relationships. Both declining rates of inflation and the growing availability of interest on transaction accounts at levels competitive to market rates could induce more holdings of cash relative to other assets over time. The payment of interest rates on transaction accounts could also affect the cyclical pattern of M1. The border aggregates, by their nature, should be less sensitive over time to innovation, since they encompass a much broader range of assets, but the phased elimination of rigid ceiling interest rates has changed cyclical characteristics.

"All of this has greatly complicated the job of setting targets for 1983. In setting the ranges, the committee believed that monetary growth during the year would need to be judged in the light of developments, with respect to economic activity and prices, taking account of conditions in domestic credit markets and internationally.



Members of the FOMC and other reserve bank presidents participating in our discussions generally look toward moderate recovery in 1983 in a context of greater price stability and less inflationary pressure. While the individual forecasts vary over a considerable range, the majority anticipates real growth in the 3.5 to 4.0 per cent area over the next four quarters of 1983, fractionally higher than the Administration forecast.

"Nearly all expect the deflator to rise less rapidly than the 3.0 per cent projected by the Administration. Projections of nominal growth are mostly in the 8 to 9 per cent area. In approaching its policy judgments, I believe the committee recognised the desirability of achieving and maintaining a lower level of interest rates to encourage growth but felt that this could only be realistic in a context of building on the progress already made against inflation.

"Efforts to force interest

rates down at the expense of excessive liquidity creation could not be successful for long.

"Against all this background, the committee decided that, for the time being, it would place substantial weights on the broader aggregates, M2 and M3, in the belief that their performance relative to economic activity may be more predictable in the period ahead.

"The target range for M3, which is least affected by institutional change, was left at 6½ to 9½ per cent, measured from the fourth quarter of 1982 to the fourth quarter of 1983.

"The target for M2 was set at 7 to 10 per cent and the base was shifted to the February/March average of this year to minimise the institutional distortions.

"The M1 target was widened and set at 4 to 8 per cent. Less emphasis has been placed on the M1 target in recent months because of institutional distortions and the apparent shift in the behaviour of velocity.

"The degree of emphasis placed on M1 as the near proxy for aggregate demand, upon assessment of, and the predictability of, its behaviour, relative to other economic measures and the range may subsequently be narrowed.

"In addition, the committee set forth for the first time its expectations with respect to growth of total domestic non-financial debt, and felt that a range of 8½ to 11½ per cent would be appropriate. Data for such a broad credit aggregate are not yet available monthly, nor are the tools available to influence closely total flows of credit.

"While the credit range during this experimental period does not have the status of a 'target', the committee does intend to monitor developments with respect to credit closely for what assistance it can provide in judging appropriate responses to developments in the other aggregates. The range would encompass growth of credit roughly in line with nominal GNP in accordance with past trends; the upper part of the range would allow for growth a bit faster than nominal GNP in recognition of some analysis suggesting a moderate increase in the ratio of debt to GNP may develop.

"Neither bewail nor applaud the circumstances that have put a greater premium on judgment and less 'automaticity' in our operations; it is simply a fact of life. In making such judgments, the basic point remains that, over time, the growth of money and credit will need to be reduced to encourage a return to a reasonable price stability. The targets set out are consistent with that intent.

"The basic rule we must observe is that the sustained forward progress of the economy is dependent on a sense of price and financial stability—and without it we will undercut the growth we all want. That objective, as I have emphasised, will require that we avoid excessive growth of money and credit because, sooner or later, that growth will be the enemy of the lower interest rates and stability we need."

Notice of Redemption

Corning International Corporation

8½% Guaranteed Sinking Fund Debentures Due March 15, 1985

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the indenture dated as of March 15, 1971, under which the above designated Debentures are issued, \$173,000 aggregate principal amount of such Debentures referred to as the redemption date) through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

\$1,000 Coupon Debentures									
16-35	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-36	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-37	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-38	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-39	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-40	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-41	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-42	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-43	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-44	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-45	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-46	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-47	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-48	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-49	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-50	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-51	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-52	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-53	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-54	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-55	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-56	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-57	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-58	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-59	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-60	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-61	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-62	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-63	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-64	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-65	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-66	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-67	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-68	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-69	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-70	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-71	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-72	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-73	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-74	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-75	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-76	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-77	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-78	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-79	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-80	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-81	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-82	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-83	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-84	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-85	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-86	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-87	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-88	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-89	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-90	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-91	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-92	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-93	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-94	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-95	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-96	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-97	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-98	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-99	4428	7782	9136	9827	10498	12910	13629	14338	15551
16-00	4428	7782	9136	9827	10498	12910	13629	14338	15551

WORLD TRADE NEWS

Iraq asks Turkey for 2-year loan to finance imports

BY METIN MUNIR IN ISTANBUL

IRAQ, WHICH is experiencing increasing payment problems, has asked Turkey for a two-year revolving loan to finance its imports from that country.

The request is reported to have been put to the Turkish Government by Mr Taha Yassin Ramadan, the Iraqi First Deputy Prime Minister, Mr Ramadan, who arrived in Ankara at the head of a large trade delegation on Tuesday, met Mr Bulent Ulu, the Turkish Prime Minister, yesterday.

Iraq sold Turkey some \$1bn (566bn) worth of crude oil last year and bought an estimated \$800m-worth of Turkish exports.

These figures put Iraq among Turkey's principle trading partners. Consequently, Turkish exporters who were hoping to increase sales to Iraq in 1983 stand to suffer if the Government fails to find a formula to meet the Iraqi request for a loan.

According to officials, Ankara offered Iraq a four-month revolving loan, which the visiting delegation found inadequate.

The tactic which Ankara seems to be following is to extend the maturity of the loan to the extent that the Iraqis bring down the price of oil which they sell to Turkey. This was valued at \$34 a barrel, and is fixed in an agreement made before the drop in world prices of crude.

The Turkish Central Bank

has no discounting system. Furthermore, if the Central Bank were to guarantee exports to Iraq and make payment to Turkish exporters in Turkish lira, it would endanger its anti-inflationist monetary policy supported by the International Monetary Fund.

The central bank has recently approached some foreign banks and proposed that they finance Turkey's exports to Iraq. Some banks are said to be considering this favourably, but insisting that the central bank provide a counter-guarantee.

One major Turkish export house said it had recently agreed to sell Iraq \$34m-worth of meat on a credit basis. Iraq made a 15 per cent down-payment and promised full payment over a year.

Developments on another front, reported by Turkish companies, emphasise the growing foreign currency famine in Iraq—an outcome of the war with Iran and depressed demand for crude oil. Foreign contractors operating in the country were told that they must

provide project loans for new contracts and accept deferred payment for ongoing work.

One Turkish contractor said it was told by Iraqi officials that they would be willing to issue letters of credit with deferred payment conditions.

Swiss metal industry orders at all-time low

By John Wicks in Zurich

ORDER BOOKS for the Swiss metals and machine-building industry, most of which come from abroad, were the thinnest on record at the end of 1982, according to the Association of Swiss Machine-Builders (VSM).

Work on hand registered by 268 VSM member companies was equal to only 5.9 months' production, compared with 9.5 months in the boom year of 1974. In no major product sector are orders sufficient to cover average production times. Textile machinery and machine tools are particularly affected, with orders for only 4.02 and 6.83 months' output, respectively.

Exports rose in normal terms by 2 per cent last year to some SwFr 23.8bn or 1 per cent in volume. Owing to inflation, export value showed a decline in real terms. This was even more marked for the corresponding imports, which actually fell in nominal terms by 3 per cent to SwFr 21.4bn.

The situation showed no improvement in the final quarter of last year, when export orders recorded by 268 of the leading VSM companies were down 19.7 per cent on the same period of 1981.

Stewart Fleming examines the crisis decisions looming for West German shipyards

Need to rationalise grows desperate

WEST GERMAN SHIPBUILDING INDUSTRY					
	1977	1978	1979	1980	1981
Shipbuilding production (DM bn)	6.3	5.0	3.4	3.4	4.5
of which new buildings	5.5	4.2	2.4	2.5	3.0
Labour force	70,000	64,500	57,400	57,000	57,000

(Production includes new buildings of ocean going and inland waterway vessels, repairs and conversions.)

Source: Federation of the German Shipbuilding Industry

WEST GERMANY'S shipbuilding industry is preparing itself for a period of brutal rationalisation. The move comes in the face of a further dramatic slump in shipbuilding orders, and the prospect that no recovery in the industry can be expected until towards the end of the decade.

The clearest sign so far of the mood in the North German shipyards came earlier this week when two of the five leading companies, Bremer Vulkan and AG Weser, announced that they are in talks aimed at finding a basis for co-operation.

Both companies, for different reasons, are not spelling out precisely what they mean by this, but they have made it clear it will probably result in the loss of 1,000 jobs, and a cut of perhaps one-third in new shipbuilding capacity.

The fact that the co-operation plans should be accompanied by a plea for a further DM 150m (540.3m) of government aid has also come as little surprise.

After years of subsidising the shipping and shipbuilding industries, so providing artificial life support systems for many yards, local and national governments are being called in to help pay the burial costs of redundant capacity.

The timing of the appeal, ahead of the March 6 general election, also appears to be rather more than accidental.

The Bonn Government has

already agreed to provide substantial emergency aid to the steel industry, as well as an unexpected subsidy to Alcan, the Canadian aluminium company, in order to help it keep a West German smelter operating.

Although an early decision to provide Government support is not certain, it will be tempting for national politicians to make a few pre-electoral promises. The Bremen area is suffering the highest unemployment rate in the country—22.8 per cent—and there are votes to be won and lost on the shipyard issue.

The risk, however, involves setting unworkable precedents for restructuring in the yards which will have to involve more than just Bremer Vulkan and AG Weser.

How desperate the situation is becoming can be judged from the fact that the co-operation talks between the two companies, if they result in agreement, could lead to the first joint rationalisation moves by

two of the five biggest shipyards in the country since 1987. This is not to say that internal rationalisation moves have been avoided since the shipbuilding industry went into a nosedive after the 1973-74 oil price explosion.

The West German Shipbuilding Industry Federation estimates that since 1975, the hours worked in the shipyards have fallen by 50 per cent and the number of building berths in operation by 25 per cent.

In the past few months, however, it has become increasingly clear that this is not enough of a slowdown. In the world shipbuilding industry as a whole last year, new orders for merchant ships fell to 17m dwt from 31m dwt in 1981.

The Shipbuilding Industry Federation estimates that in West German yards there was a 26 per cent slump in new orders.

Alongside that slump has come fierce price competition. The federation suggests that

Far East shipbuilders cut prices for new tonnage last year by around one-third in an effort to fill their order books.

They believe these efforts have been directed not only at attracting orders for less complex types of ships, but also at the market for the more sophisticated merchant vessels on which West German yards have been concentrating.

West German shipbuilders complain that, increasingly, West German shipping concerns are placing orders outside West German yards, in order to improve their competitive position.

For the bigger West German shipyards, the slump in orders has been that much more damaging because it has hit orders for big ships especially hard. Unless they have undertaken substantial reorganisation programmes, which some, such as AG Weser, have done, the bigger yards find it hard to bid competitively on orders for smaller ships.

The net result is that, in general, the bigger West German yards are suffering most, while the situation among the smaller and medium-sized companies is, in general, thought to be rather better.

For yards such as Bremer Vulkan, the long slump in the industry since 1973-74 has also taken its toll on the company's reserves, so that the costs of

reorganisation present an almost impossible burden.

At the end of 1981, the company was forced to sell buildings and assets to raise funds to cover its losses. These measures, coupled with the acquisition by the State of Bremen of 25.01 per cent of its capital from the major shareholder, the Dutch concern Thyssen-Bornemisza, helped the company raise DM 72.6m.

Even so, it declared a net loss of DM 7.6m on sales of DM 467m. The company had last reported a profit in 1977, when its sales revenues were DM 808m.

For Thyssen-Bornemisza, which in the 1970s owned 75 per cent of Bremer Vulkan, the further cut in its shareholding, which reduced it to 25.01 per cent too, must have been a welcome escape.

But at the end of last year, Bremer Vulkan had to undergo a capital reconstruction which involved the two big shareholders, Thyssen-Bornemisza and the State of Bremen, pumping in a further DM 26m and raising their shareholdings to over 30 per cent each.

Now, the Dutch concern has stated it is not prepared to put any more money into Bremer Vulkan. Krupp, owner of 86.4 per cent of AG Weser, has said the same, after terminating a contract last year with its subsidiary which required it to absorb the shipyard's losses.

SAA to suspend some African routes

BY BERNARD SIMON IN JOHANNESBURG

SOUTH African Airways (SAA) is to suspend all air services to Botswana, Swaziland, and Lesotho in April. The airline currently has about 13 flights a week to the main towns in these countries.

The South African Transport Minister, Mr Hendrik Schoeman, said the services "have become uneconomic." An SAA official denied that political motives lay behind the decision, and said that SAA's services to other black African countries, such as Zambia and Zimbabwe, would continue.

Nonetheless, the announcement comes just two months after SAA temporarily suspended flights to

the Lesotho capital, Maseru, for security reasons following a South African defence force raid on the town.

An Air Botswana official said the route between Johannesburg and Gaborone is profitable and that the airline has no intention of withdrawing from it. On the other hand, Lesotho Airways said profitability on the Johannesburg-Maseru route is "touch and go."

SAA is currently negotiating with the airlines of the three countries to take over its services. Lesotho Airways is planning to buy or lease a 44-seat aircraft to increase its capacity.

Gatt set to consider EEC-U.S. farm trade row

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE RUNNING farm trade dispute between the EEC and the U.S. resurfaces at the General Agreement on Tariffs and Trade (GATT) in Geneva on March 1 when the two sides start talks on subsidised U.S. sales of wheat flour to Egypt.

The talks, which take place under the provisions of Article 12 of the GATT code governing the use of subsidies in exporting, are the first stage of what could be a lengthy formal process of conciliation or dispute settlement.

By the time the talks start, the U.S. and the EEC should have received the report of an arbitration panel, set up by GATT at a U.S. request, on a complaint by U.S. producers that the EEC is subsidising its wheat flour sales.

The two cases, dealing with a specialised section of the international farm trade market, are part of a wider dispute. This springs from the U.S. perception that its producers are hurt by the EEC's sale of surplus products on the world markets at prices lower than

EEC internal prices. To retaliate against subsidised sales, the U.S. has been making limited use of a funding technique blending commercial and soft credits to encourage its own exports.

When it won a contract to supply Egypt with 1m tonnes of wheat flour, effectively freezing the EEC out of that market for a year, the EEC took the case to the GATT.

If next month's talks fail to reconcile the two sides, the EEC will probably request the setting up of an arbitration panel.

Such a panel is on the verge of reporting on a complaint lodged a year ago with the Reagan Administration by U.S. wheat flour producers. The U.S. took the complaint into the GATT, alleging that EEC sales were undercutting the U.S. and were in breach of the subsidies code.

It is one of a number of complaints of a similar nature covering poultry, sugar and pasta—a panoply of cases which has led the EEC to feel that it is being harassed by aggressive U.S. trade diplomacy.

Caterpillar in venture to build Indonesian plant

PEORIA, Illinois—Caterpillar Tractor, the leading U.S. manufacturer of construction and mining machinery, plans to build a manufacturing plant in Indonesia but has postponed the start of production at a completed plant in Mexico because of uncertain economic conditions.

Caterpillar said it had won approval from the Indonesian Government to form a joint venture company with PT Trakindo Utama.

The plant, near Jakarta, will manufacture components and assemble selected earth-moving machines, the company said.

The construction of the plant will begin soon, it added, but declined to reveal the cost of the project. AP-DJ

sembly operations are expected to begin in late 1983.

Caterpillar said Indonesia, the world's fifth most populous country, was "a large and growing market," and it noted that the Indonesian Government was expected soon to make it impossible for imported equipment to compete with locally produced machines. Caterpillar said it was seeking other potential partners so that the project in Mexico could move forward. The current joint venture partner, Cydsa, has decided to pull out of the arrangement.

Last month Caterpillar announced a loss for 1982 of \$180m, its first annual deficit for more than 50 years.

UK loan for Oman

THE EXPORT Credits Guarantee Department has guaranteed a \$12m loan and a \$4.7m loan which Morgan Grenfell has made available to the directorate general of finance of Oman to finance contracts between George Wimpey International and Wimpey Alawi in Oman. The loan of \$4.2m will help finance construction of a parade ground and barracks. The second loan for \$4.7m will help finance construction of a housing complex.

Japanese electronics

Nippon Electric (NEC), the Japanese electronics company, operates a large semiconductor plant in Scotland, and JET, a joint venture between JVC, Thorn EMI and AEG-Telefunken, which makes video recorders in Berlin, also produces video recorders in southern England. These were omitted from a story on Japanese electronics investment in Europe which appeared in the Financial Times on February 14.

IS THE COMPANY CAR EATING INTO MORE THAN JUST YOUR PROFITS?



What with traffic jams and motorway pile-ups, few companies believe that long car journeys are the ideal way to travel. The wear and tear on the driver as well as the car can't make economic sense.

You can't work in a car. You can't get a meal in a car. You certainly can't spend a penny in a car. And think how much less productive thrashing up and down the motorway leaves the driver. So isn't it fortunate that there's a relaxing and civilised alternative. This is the age of the train ➡



UK NEWS

Works closures threaten 4,500 rail jobs

By Hazel Duffy and Lisa Wood

A MAJOR programme of redundancies and closures in British Rail Engineering is expected to be conveyed to rail union leaders today at a meeting of the Rail Council, the top-level management/union body.

It will involve the loss of at least 4,500 jobs, and will include the closure of rail units in County Durham and most of the Horwich plant near Bolton. Stalton is expected to remain open until the end of next year, and Horwich until the end of this year.

A smaller works at Stratford, east London, is also on the list, and another works - so far unspecified - is expected to be closed to bring capacity more into line with the anticipated order book.

The programme differs from that put forward by the management of BR Engineering last spring, which proposed that nearly 2,000 jobs would also go from Swindon and Derby locomotive works.

That programme met intense opposition from the rail unions, and particularly from the National Union of Railwaymen (NUR) to which about half the BR Engineering workforce belongs. It was shelved by BR management in the hope of averting the NUR strike which was looming at that time.

The whole relationship between BR and BR Engineering was examined in the report of the Serpell committee into the future of BR. BR Engineering workshops build and maintain rail locomotives, carriages and wagons. BR is the only railway operation in Europe which

has its own equipment building facilities. The Serpell report suggested it might be better if BR bought some equipment, including locomotives, from abroad.

Rail equipment has become increasingly sophisticated in the past few years requiring less maintenance and this has led to a big drop in demand for BR Engineering facilities.

The problem is particularly acute with wagons, where efforts to win sufficient export orders to maintain capacity have had only some success.

Distillers Company (DCL) has announced a major cutback at its malt whisky distilleries and a reduction in its grain distilling output with a total loss of 330 jobs.

The job losses are the largest number to be made by any one company within the industry at one time according to the Scotch Whisky Association.

DCL is the biggest employer in an industry suffering from a worldwide slump in demand. It said there was a need to cut back on production of malt and grain whisky in order to ensure that stocks of maturing whisky were brought more into line with estimates of future requirements. The company accounts for 40 per cent of the world's Scotch whisky market.

World sales of Scotch were down by 10 per cent in 1982 on 1978 which was the industry's peak year. The UK market, which accounts for 16 per cent of total sales, was down 20 per cent last year on 1978.

N. Sea work for 1,000

By Our Energy Editor

JOBS will be created for about 1,000 offshore workers as a result of a £20m contract placed by Mobil North Sea.

The order, for engineering work on the new Beryl B oil production platform in the North Sea, has been placed with AOC International, the UK company responsible for oil-related interests of the Fred Olsen Group.

AOC is to recruit several hundred

skilled offshore workers to supplement existing staff for the year it will take to complete the work. About 1,000 people will be employed on the project with up to 450 of them stationed on the platform at any one time.

Earlier this week AOC announced that it had won two other major North Sea orders. These could create about 400 new jobs in the UK.

Attack on sale of new port shares

By Dominic Lawson

THE SALE of shares in state-owned Associated British Ports (ABP), the largest ports operator in Britain - was handled with a blatant disregard for the public interest, Mr Albert Booth, the Shadow Transport Secretary, claimed in the House of Commons yesterday.

Mr Booth said the sale was part of a "vicious, doctrinaire attack" on a nationalised industry which had profitably run 18 ports.

Shares in ABP reached 130p when the London Stock Market closed yesterday at which price the company was capitalised at £55.2m - a premium of 23 per cent over the £44.8m price tag chosen by the Government.

The shares had been offered by the Government at 112p and began life at 130p when dealing began yesterday morning. Mr Booth said ABP, formerly called the British Transport Docks Board, had invested more than £100m over 10 years in a public asset without drawing on the public purse or borrowing in the market.

Mr David Howell, Transport Secretary, had totally disregarded the advice of the Commons Public Accounts Committee - in the wake of controversy over the sale of Amer-sham International - which had urged the Treasury and other government departments to avoid a repetition of large windfall profits at the taxpayers' expense.

The Government had given an undertaking that it would obtain the full market value for ABP, but it was "crystal clear" that it had failed, he said.

Mr Keith Stuart, chairman of ABP, disagreed that the company had been undervalued by the Government.

"It was the right price for the shares, given that the Government wanted to privatise us now, rather than when trading shows signs of an upturn."

It is believed that about half of the 19.6m shares sold by the Government changed hands on the first day of dealing.

A Post Office error left the City of London facing a 24-hour delay on Tuesday for dealings to start.

The Post Office admitted that one of the mail bags containing letters of successful applicants had been wrongly directed at a sorting office.

INQUIRY BEGINS INTO WATER DISPUTE

Strike law to be considered

FINANCIAL TIMES REPORTERS

THE GOVERNMENT is to reconsider introducing legislation to outlaw strikes in essential public services as a result of the national water strike.

Mr Norman Tebbit, the Employment Secretary, said yesterday: "There may be a case for future legislation in this field. My mind is not closed to that."

Mr Tebbit also said that steps might be taken to withdraw legal immunities from strikers if they had not followed "procedure agreements," such as a clause committing both sides in a dispute to binding arbitration.

"There may well now be considerable public support for action in the essential services," he said, "and it may be some ideas should be canvassed again."

Legislation would not be considered until after the next general election. But there is no doubt that

Mr Tebbit is showing considerably more interest than before in such measures.

A committee of inquiry into the pay dispute in the water industry will begin taking evidence today. Its chairman, whose appointment was announced yesterday, is Dr Tom Johnston, principal and vice-chancellor of Edinburgh's Heriot-Watt University.

His chairmanship was only agreed after considerable dispute between the water employers and unions. He has had a long involvement in arbitration and wages council work and carried out an inquiry into staff representation in the clearing banks four years ago.

The employers' nominee for the inquiry is Mr Michael Bett, board member for personnel and industrial relations at British Telecom. Only last week, he was one of four businessmen appointed by the Government to head an inquiry into the

National Health Service. He served on a committee of inquiry into the prison service.

Mr Bill Keys, a senior figure in the Trades Union Congress (TUC), is the union nominee. He is joint general secretary of the print union Society of Graphical and Allied Trades '82.

Both employers and union have made concessions in the terms of reference for the inquiry.

For the employers, the crucial omission is any suggestion that the findings should be binding on all parties. This is a key concession, although both sides have given assurances that they accept the idea of resolving the dispute through the inquiry.

For the unions, the terms fail to include specific mention of their central claim - their relative position in the manual workers' earning league.

Lawsuit for £75m dismissed

By Raymond Hughes, Law Courts Correspondent

THREE multinational companies, whose joint venture in worldwide petrochemicals trading ended in financial disaster, have defeated a renewed attempt to sue them in the English courts for £75m.

The Court of Appeal yesterday refused to allow the liquidator of the joint venture company, Multinational Gas & Petrochemical, to serve the proceedings on the joint venturers - all of which are foreign-based - outside England.

The liquidator alleged that the liability for the failure of Multinational, a Monrovia company, and for its massive losses, rested on those who had set it up.

They were Philtankers, a wholly-owned Liberator subsidiary of Phillips Petroleum, Société Anonyme De Gérance Et D'Armement (Sega), a French company, and Bridge-stone Liquefied Gas, one of the largest Japanese distributors of liquefied petroleum gas.

They set up Multinational in 1970, Philtankers and Segal each held 40 per cent of the shares and Bridge-stone 20 per cent. Each nominated its directors. Multinational was wound up in 1978.

In December 1981, the High Court discharged an order giving the liquidator leave to serve the

joint venturers and the nominated directors outside the jurisdiction.

Dismissing the liquidator's appeal, Lord Justice Lawton said yesterday that, after Multinational had begun making a small profit, its directors changed their trading policy. They decided to acquire gas tankers for employment on the spot market.

The market turned against them; they got into financial difficulties and had to cease trading.

In October 1977, the estimated deficiency as regards Multinational's creditors was £113.8m. Its only asset in the UK was between £300,000 and £400,000 in bank accounts.

The judge said that Multinational's failure had been a financial disaster for its creditors. Some, alleged to have suffered losses of £75.4m, acted through the liquidator in wanting to make the joint venturers discharge at least some of Multinational's liabilities.

The only way, the judge said, to get at the three oil companies was by alleging that they and their nominated directors failed to perform some duty owed to Multinational.

It was not alleged that they exceeded their powers, or acted in bad faith, but that they made highly

speculative decisions that could not be said to have been within the scope of reasonable business judgment.

Those decisions had been made in New York, Paris or Copenhagen, where the Multinational board had met, and not within the UK jurisdiction. The damage they were said to have caused occurred outside the jurisdiction.

Lord Justice Lawton said that when the joint venturers required Multinational's directors to do certain acts, they became the acts of Multinational. The company's liquidator could not now, therefore, complain about what, in law, had been its own acts.

He said there were no grounds for holding that the joint venturers, as shareholders, were under any duty of care to Multinational.

Lord Justice Dillon agreed that the appeal should be dismissed. Lord Justice May dissented. He said that, apart from board meetings, all Multinational's activities had been carried on in London through its English agent company, which gave the action a substantial connection with the UK.

The liquidator was refused leave to appeal to the House of Lords.

Authorities urged to intervene in exchange markets

By Jeremy Stone

PROFESSOR Alexandre Lamfalussy, of the Bank for International Settlements (BIS), said yesterday: "No single price weighs so heavily on the allocation of economic resources as the exchange rate; even the price of oil is less important."

He was speaking at a Financial Times conference in London on foreign exchange risk.

The considerable volatility of exchange rates that had developed under the regime of floating rates, he said, had created a climate of uncertainty. That was bound to have an adverse impact on decisions concerning investment, production and trade.

Professor Lamfalussy was even more concerned about the potential consequences of recent very large swings in the exchange rates. He offered some practical suggestions to improve the working of the foreign exchange markets:

● New research at the BIS made it seem likely that the authorities could, through intervention, exert a stabilising influence on the markets.

● Intervention would only be effective, however, if it was based on policies which would steer the fundamentals of the economy to a direction which validated the intended move in the exchange rate.

● Monetary authorities in several countries - particularly the U.S. - should reserve their explicit neglect of the exchange rate. International cooperation should be put to the service of managing floating exchange rates. The excesses of floating should be tempered.

Mr H. Baschnagel, central manager of the Swiss Bank Corporation, reinforced Professor Lamfalussy's argument by pleading for central bank intervention in the foreign exchange futures markets.

Mr Baschnagel delivered an emphatic condemnation of the influence of futures markets, combined with the automatic use of computer models and charts. Together, these developments were transforming the foreign exchange markets into "a perfect one-way street."

In a world that was difficult enough for foreign exchange users, he said, the foreign exchanges were being transformed into a playground for speculators of the worst sort. With all the new instruments, the markets had become too volatile.

tile. In the short run, charts and computerised decision-making were exerting a growing influence on exchange rates.

The resulting chaos would damage end-users of currency, not the traders in the pits. Mr Baschnagel thought that central banks should intervene in futures markets: "We would see those young traders in the Chicago pits run for cover the moment they saw the Federal Reserve buying the D-Mark, Swiss francs or any other currency that was depreciating under the dollar's rise."

Mr Scott Pardee, of the Discount Corporation of New York, agreed. Non-intervention by the U.S. authorities had undermined their ability to stem one-way trading in the foreign exchange markets. "We can't just sell the D-Mark into the

FT Conference on Foreign Exchange Risk

dollar and hit a few dealers," he said. But it would be very dangerous to go short of the dollar on a bet that the Federal Reserve might be "caving in on inflation."

European governments seemed to be converging in their belief that foreign exchange adjustments could not solve problems in the real economy. Mr David Lomax, economic adviser to the National Westminster Bank, said:

It had become generally agreed that the balance of fiscal policies was more important.

Dr. Erik Hoffmeyer, of the Danish national bank, paraphrased Voltaire in his conclusion that our present exchange system, while not the best possible, was at least robust enough to survive; given our political systems.

Dr. Hoffmeyer believed that the problem of excessive rate fluctuations was confined to the relations of major currencies and dominated by portfolio adjustment between them. He did not believe that the damage caused by this fluctuation was very extensive.



Production problems? EMS-INVENTA may have a solution

▲ 100 214 - Egg Heads, sculpture by Hans Jörg Umbach, Hombrechtikon, Switzerland

EMS has been producing synthetics for over 30 years. Using its own processes, it has developed products, production techniques and designed plants therefor. EMS enjoys a worldwide reputation as a specialist in polyamides and polyesters.

EMS also produces synthetic fibres of high quality. It works intensively on product development on the basis of its experience, research and innovative ability.

EMS builds and operates plants designed to supply clean energy from renewable raw materials. Energy in the form of gas, liquid fuels, electric power.

EMS has at its disposal an experienced team of engineers, technicians, planners and financial experts. This team possesses specialized know-how in manufacturing processes, in the construction and operation of production plants and in finance questions. Know-how gathered on the five continents of the world.

So if you're thinking of setting up production facilities somewhere - anywhere in the world in fact - or if you plan to build an industrial plant or to produce clean energy - or if you are simply interested in running one more profitably - then talk to us. We are a Swiss organisation strongly

established on all five continents. You can have complete confidence in EMS. EMS stands for quality and reliability, for know-how and customer service. Ask for our literature.

EMS

EMS-INVENTA AG, CH-7013 Dornal/EMS, Switzerland, Tel. 081 36 011, Telex 74 378

Insure yourself against restrictive practices.

Nationwide today. A continent tomorrow. The world next week.

Is this how you see your computer network growing?

Probably not so fast nor as dramatically.

Whatever the case, you will need a computer system geared precisely to your rate of growth with simple modular hardware additions which can be made whenever you demand - without conversion or reprogramming.

The Tandem NonStop™ system offers just that flexible capability, with no restrictions on speed of growth or eventual network size.

Another major benefit is the complete reliability of operation assured by Tandem's unique fault-tolerant technology.

Even if a component fails, the NonStop system won't. Fault-tolerance and data integrity extend across the entire network.

Moreover, if transmission lines let you down, the Tandem software will seek alternative paths. Automatically.

All of which adds up to a NonStop network that remains essentially one system; both flexible and fault tolerant.

Isn't this the kind of insurance your business deserves?



TANDEM

Tandem Computers Limited.

Peel House, 32-34 Church Road, Northolt, Middlesex UB5 5AB. Tel: 01-841 7381. Telex: 933333.

Bilbao House, 36-38 New Broad Street, London EC2M 1NH. Tel: 01-628 0661.

5th Floor, 54 Hagley Road, Edgbaston, Birmingham, West Midlands B16 8PE. Tel: 021-454 9772.

Tandem and NonStop are trademarks of Tandem Computers Incorporated.

UK NEWS

British Airways in talks with Airbus group

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A BRITISH Airways team led by Mr Roy Watts, deputy chairman, is to visit Airbus Industrie, the European aircraft building consortium, in Toulouse next month for discussions on the long-term fleet needs of the airline.

BA stresses that the visit is for the exchange of views on what the airline is likely to need in the shape of new aircraft into the 1990s, and to learn at first hand what Airbus Industrie will have to offer. The visit is not an indication of any impending order.

The airline has already made public its need for up to 20 aircraft in the small-jet category, seating up to about 150 passengers each, by January 1, 1988, to replace ageing Trident Three jets that will become obsolete on that date because of new noise regulations then coming into effect.

This need is expected to be met by Boeing or McDonnell Douglas of the U.S., however, rather than by Airbus Industrie, because the latter's proposed 150-seat A-320 airliner, not yet formally launched, will not be ready in time.

But, for the later 1980s and into the 1990s, British Airways can see the need for even more small aircraft, and it is possible that any A-320, if available at that time and powered by Rolls-Royce engines, would interest the airline.

BA also has a long-term interest in other potential types of airliner now being studied by Airbus Industrie.

One is the TA-11, a four-engine derivative of the A-310, designed for long distances of 6,000 nautical miles, carrying about 220 passengers. Such an aircraft, if developed, would be suitable for some of BA's long, non-stop routes where Boeing 747s are too big.

The TA-12 is a twin-engine derivative of the A-310, also for 220 passengers, designed specifically for medium to long-range routes, where long flights over water are not required. Both types are not likely to be available before the early 1990s.

British Airways emphasises that it is not ruling out any potential aircraft project, whether from Airbus, Boeing or McDonnell Douglas. But its relationship with Airbus Industrie has been much less close than with Boeing and McDonnell Douglas, and the airline is anxious to correct this without implying any commitment to anything the European consortium may eventually develop.

British Caledonian Airways, the UK independent operator, and Caribbean Airways, the national airline of Barbados, have signed a one-year agreement under which British Caledonian will fly Caribbean Airways' services from Gatwick via Brussels to Barbados from May 1.

Flights initially will be once-weekly each way, rising to twice-weekly from June 4. Eventually, it is hoped also to fly from Manchester and Frankfurt to Barbados.

Manchester Steel completes job cuts

By Maurice Samuelson

MANCHESTER STEEL has completed the programme of redundancies which were the condition of its remaining in business with Elkem, the Norwegian metals, mining and manufacturing group.

The workforce has been cut by more than 160 to 630. Most of the cuts are at the Manchester mill, with the rest at Bideston, Cheshire.

Last November, the Norwegian owners backed the rationalisation plan instead of agreeing to close the operation in exchange for £16m from a consortium of other local-making private steel producers.

Mr Ken Knaggs, Manchester Steel's managing director, said yesterday that although times were still difficult, the company was safe "unless things got worse." The recent fall in the level of starting had helped to ease the pressure from low priced imported steel.

The survival plan involves cutting planned capacity to about 300,000 tonnes a year and a total saving of £2.5m to £3m over the next 12 months.

Earlier this month, the Elkem group said in Oslo that it expected its UK steel operations to improve this year as a result of cost reductions. The group as a whole is under pressure because of an increase in its losses.

Although its Oslo steel plant, Christiania Spigerverk, is said to be one of the few steel works in the world to be making a profit, Elkem is pressing for greater efficiency there too.

Industry leaders face rebuff over plea for cheaper electricity

BY RAY DAFTER AND JOHN ELLIOTT

LEADING industrialists are likely to be rebuffed today when they call on senior Government ministers to provide relief from high prices paid by bulk users of electricity.

A Confederation of British Industry (CBI) team will ask ministers to include relief approaching £200m in next month's Budget for industries such as steel, paper, board, chemicals, clay and glass.

The team will include Mr Ian MacGregor, chairman of British Steel and Sir Alex Jarratt, chairman of Reed International as well as Sir Terence Beckett, the CBI director general.

They will meet Mr Patrick Jenkin, Industry Secretary and Mr Nigel Lawson, Energy Secretary as well as Mr Leon Brittan, Chief Secretary at the Treasury who is attending at the specific request of the CBI.

The CBI will emphasise its long-held view that many UK industries, especially big processing plants dependent on bulk supplies of electricity, are being charged more for their energy than overseas competitors.

Industrialists acknowledge that the Government has given help to cutting some £250m in the past two years and that the recent falls in

the value of sterling have also helped by reducing UK comparative costs. Because of these changes in sterling, the CBI is no longer asking for the full £200m relief which it included last month in its Budget representations.

Sir Terence Beckett said last night: "Bit by bit we need all the affected industries looked at."

Although ministers will not be drawn into revealing what the Budget might contain, they are likely to make considerable play of the fact that most UK energy prices are now on a par with those on the continent.

The one major exception — the one likely to be seized upon by the CBI — concerns bulk electricity supplies delivered at a high load factor. Figures to be discussed at today's meeting show that even at present exchange rates UK prices are considerably higher than those charged in Belgium, France and Italy.

Much has to do with the way various countries weight their electricity prices. For instance, Italian industry pays more than its UK counterpart for electricity at low load factors but appreciably less at high load factors.

Ladbroke in French holidays venture

By Arthur Sandles

THE LADBROKE Group is entering the French camping and caravaning market with a new series of holidays under the Berkeley Holidays banner. French self-catering has been a major growth area in the British market in recent years, particularly camping, and Ladbroke plans to offer some 10,000 holidays this year.

Ladbroke Holidays' chief executive, Mr John Jarvis, said yesterday that the company intended expanding rapidly in Europe and planned to offer trips to Spain and Italy in 1984.

The group is not the only UK company to be optimistic about foreign tourism from the UK this year. Market leader Thomson said yesterday that it had sold 250,000 overseas package tours in January alone. On one day, it said, some 15,000 holidays were sold.

"People have been helped by lower mortgage rates," said Mr George Carroll, managing director of Cosmos Air Holidays. He suggested that encouragement in the forthcoming government budget could boost foreign holiday demand to more than 5 per cent above last year.

Soviet shipowners resist pressure to cut cruise sailings

BY ARTHUR SANDLES

BRITISH cruise ship operators began talks in London yesterday with Soviet shipowners in an effort to persuade them to reduce their sailings from UK ports.

The British claimed that the recent rapid increase in the number of cut-price Soviet cruises leaving from Britain was threatening the survival of UK lines.

The Soviets, however, contested the claims and suggested that reductions in their UK operations could endanger a £20m plan to refit four of their ships at British shipyards.

The British operators claimed that last year there were 53 Soviet cruise ship sailings from the UK, with 21,400 berths on offer. In 1981 there were only 35 departures, offering 15,080 berths. In 1980, there were 25 sailings (13,130 berths).

The Soviets, represented in Britain by CTC Lines, disputed the figures. They referred to a market share of one eighth and of carrying 13,000 passengers.

In a vigorous public statement as the talks opened, CTC said that British talk of cut-price fuel and free insurance for the Soviet vessels was untrue. The ships bunkered at international ports and pay the

market rate; their insurance is arranged on the international market, including London.

Suggestions that the Russians exploited the cancellation of cruises during the Falklands war were also denied. It was said that only 300 disappointed Cunard and P & O passengers were re-booked on Soviet vessels.

Recently the Russians have given assurances that passenger capacity out of the UK will increase in future by, at most, 2 per cent a year.

The British side in the talks is headed by Mr Rodney Leach, chief executive of P & O Cruises, and Mr Bernard Crisp, his Cunard counterpart. The Soviet team is headed by Mr V. Petukhov, head of the passenger shipping organisation.

The British will be urging that the ground rules set out for cargo lines in a Moscow agreement last year should apply to passenger shipping. In broad terms, these allow competition on equal terms and a preservation of domestic markets.

The UK side argues that competition is not equal and that the domestic lines are endangered in this case — and that UK ships cannot sell cruises to the Soviet people themselves.

Japanese car importers profit while Fiat and Renault lose

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

AN INDICATION of the big profits made by importers of Japanese vehicles to Britain and the huge losses being sustained by Fiat and Renault is given in the latest report from ICC Business Ratios, the management information company.

It shows that in 1980 Fiat Auto, the car import business, lost £48.4m before tax while Fiat's wholly owned commercial vehicle subsidiary, Iveco (UK), suffered a £4.85m pre-tax loss.

During 1980, Fiat was left with large stocks of cars in Britain because it had not predicted demand would fall so sharply. Total UK car sales fell 11.8 per cent from the 1979 peak. At the same time, Fiat's market share dropped from 4.64 to 3.39 per cent. This involved a reduction in volume from 79,577 cars to 51,299.

Indications are that Fiat Auto's losses continued at a similar rate in 1981 and 1982.

Renault UK did not experience the same substantial drop in volume between 1979 and 1980. Its registrations fell from 93,468 to 88,343, but it had been expecting sales approaching 100,000 in 1980. Its pre-tax loss for 1980 was £13.7m.

Both Fiat Auto and Renault suffered badly because right-hand-drive cars ordered for the UK market could not readily be disposed of elsewhere when sales failed to match expectations.

In 1980 Renault's truck and bus business also moved into losses — £32,000 pre-tax compared with a £7m profit the previous year.

Japanese companies took four out of the top five places in ICC's profitability league table measured by pre-tax return on sales. Double-figure margins were achieved by Subaru, owned by the private Midlands-based International Motors group; Heron Suzuki, part of Mr Gerald Ronson's property-to-vehicle distribution business; Honda, a subsidiary of the Japanese group; and Colt, another private company.

The most successful Japanese car importer in market share terms, Datsun UK, again privately owned, had only reported on the year to end-July 1980 when the ICC figures were collected. In the seven months to July 31, it made a taxable profit of £14.1m and a return on sales of 4.6 per cent.

Another International Motors subsidiary, Modena Concessionaires, which imports Maserati cars, was also among the companies returning a high profit-to-sales ratio of 10.5 per cent.

Confirming that the import of high-priced sports cars is a good business, Porsche Cars GB topped the ICC league table. It made £5.1 pre-tax profits on sales of £25.3m to achieve a profit-to-sales ratio of 20.4 per cent. Porsche Cars is 60 per cent owned by the West German group and the rest of the equity is in the hands of John Adlington, the managing director, or his close associates.

The ICC report covers the performance of 35 distributors of foreign vehicles in Britain. One statistic revealed by the report is that the eight directors of Colt Car, which sells Mitsubishi cars from Japan and is headed by Mr Michael Orr, one of the founders, shared remuneration of £379,000 in 1980, which is the equivalent of £47,375 each.

The eight directors of Datsun UK in 1979 received remuneration of £497,000, or £62,125 each on average. "Foreign Vehicle Distributors", from ICC Business Ratios, 28 Banner St, London EC1Y 8QE, £97.

cars, was also among the companies returning a high profit-to-sales ratio of 10.5 per cent.

Confirming that the import of high-priced sports cars is a good business, Porsche Cars GB topped the ICC league table. It made £5.1 pre-tax profits on sales of £25.3m to achieve a profit-to-sales ratio of 20.4 per cent.

Porsche Cars is 60 per cent owned by the West German group and the rest of the equity is in the hands of John Adlington, the managing director, or his close associates.

The ICC report covers the performance of 35 distributors of foreign vehicles in Britain. One statistic revealed by the report is that the eight directors of Colt Car, which sells Mitsubishi cars from Japan and is headed by Mr Michael Orr, one of the founders, shared remuneration of £379,000 in 1980, which is the equivalent of £47,375 each.

The eight directors of Datsun UK in 1979 received remuneration of £497,000, or £62,125 each on average. "Foreign Vehicle Distributors", from ICC Business Ratios, 28 Banner St, London EC1Y 8QE, £97.

Another International Motors subsidiary, Modena Concessionaires, which imports Maserati cars, was also among the companies returning a high profit-to-sales ratio of 10.5 per cent.

Confirming that the import of high-priced sports cars is a good business, Porsche Cars GB topped the ICC league table. It made £5.1 pre-tax profits on sales of £25.3m to achieve a profit-to-sales ratio of 20.4 per cent.

Porsche Cars is 60 per cent owned by the West German group and the rest of the equity is in the hands of John Adlington, the managing director, or his close associates.

The ICC report covers the performance of 35 distributors of foreign vehicles in Britain. One statistic revealed by the report is that the eight directors of Colt Car, which sells Mitsubishi cars from Japan and is headed by Mr Michael Orr, one of the founders, shared remuneration of £379,000 in 1980, which is the equivalent of £47,375 each.

The eight directors of Datsun UK in 1979 received remuneration of £497,000, or £62,125 each on average. "Foreign Vehicle Distributors", from ICC Business Ratios, 28 Banner St, London EC1Y 8QE, £97.

Another International Motors subsidiary, Modena Concessionaires, which imports Maserati cars, was also among the companies returning a high profit-to-sales ratio of 10.5 per cent.

Confirming that the import of high-priced sports cars is a good business, Porsche Cars GB topped the ICC league table. It made £5.1 pre-tax profits on sales of £25.3m to achieve a profit-to-sales ratio of 20.4 per cent.

Porsche Cars is 60 per cent owned by the West German group and the rest of the equity is in the hands of John Adlington, the managing director, or his close associates.

The ICC report covers the performance of 35 distributors of foreign vehicles in Britain. One statistic revealed by the report is that the eight directors of Colt Car, which sells Mitsubishi cars from Japan and is headed by Mr Michael Orr, one of the founders, shared remuneration of £379,000 in 1980, which is the equivalent of £47,375 each.

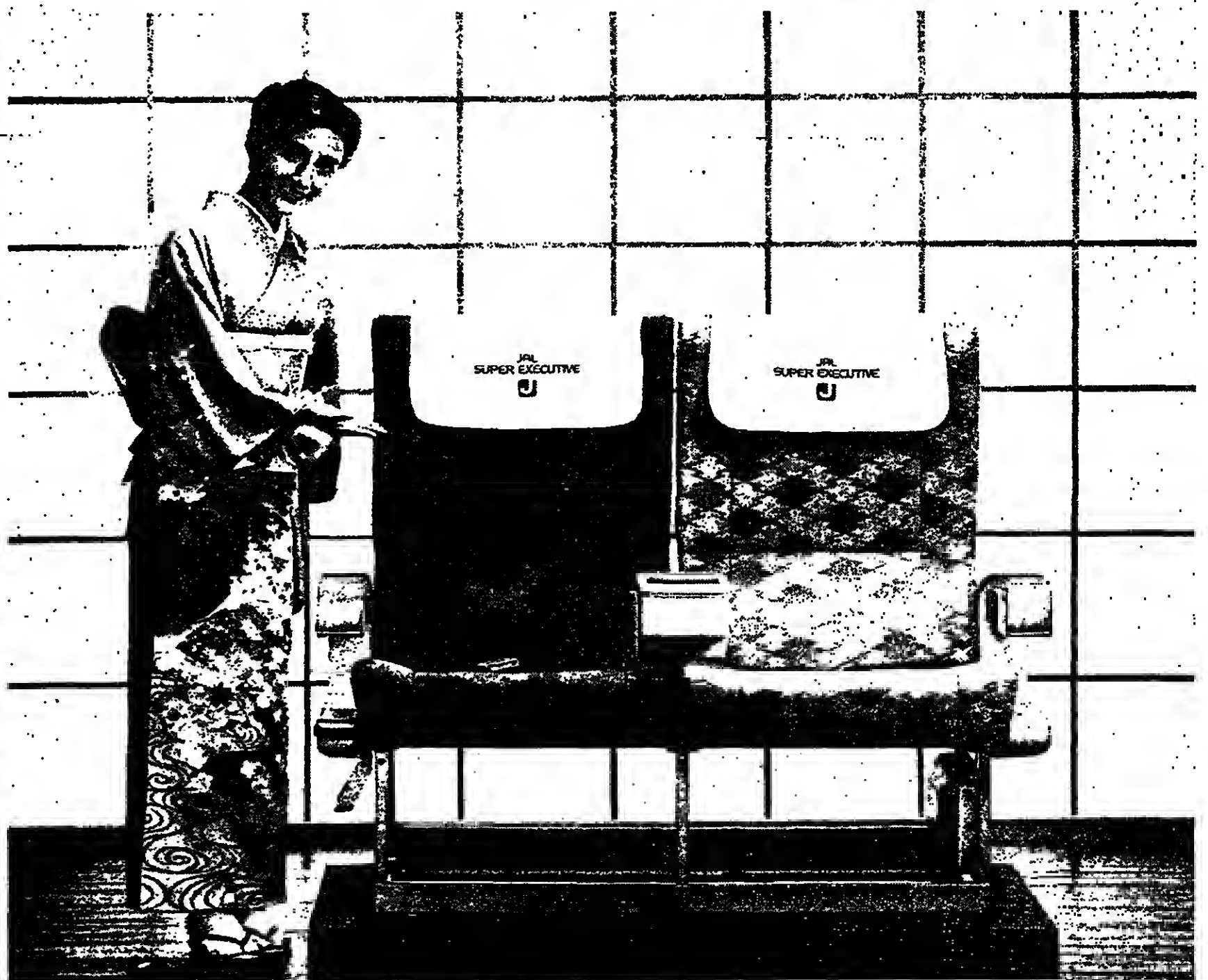
The eight directors of Datsun UK in 1979 received remuneration of £497,000, or £62,125 each on average. "Foreign Vehicle Distributors", from ICC Business Ratios, 28 Banner St, London EC1Y 8QE, £97.

Another International Motors subsidiary, Modena Concessionaires, which imports Maserati cars, was also among the companies returning a high profit-to-sales ratio of 10.5 per cent.

Confirming that the import of high-priced sports cars is a good business, Porsche Cars GB topped the ICC league table. It made £5.1 pre-tax profits on sales of £25.3m to achieve a profit-to-sales ratio of 20.4 per cent.

Porsche Cars is 60 per cent owned by the West German group and the rest of the equity is in the hands of John Adlington, the managing director, or his close associates.

Japan Air Lines has new position for Super Executive with better hearing, broader shoulders, wider experience, and offering generous benefits.



From April, Japan Air Lines introduce a completely unique class of travel on all our B747s.

Our new Super Executive 'J' Class makes any executive really feel like a super executive.

Because our exclusive 'J' Class seats are wider. So there's more shoulder room. There's more sitting room. There's more padding for a softer life (and deeper sleep). There's even a foot-rest and more space for luggage.

All because, in the rather prestigious Super Executive cabin, we've removed 20% of the seats. (There are only 8 abreast.)

Think of it as 20% more comfort, for a mere 5% premium* over our Executive Class.

Which has always been such a popular service,

we're retaining it on our Polar and Trans-Siberian routes.

Making us the only airline to offer you the concerned service and attention to detail for which JAL is renowned, in a choice of four classes: First, Super Executive 'J' Class, Executive 'C' Class, as well as Economy.

New Super Executive 'J' Class. All these luxurious extras? Can you have heard correctly? Well, yes. Because the Super Executive hears everything more clearly on the latest electronic headphones.

The longer the flight, the more the details matter.
JAPAN AIR LINES

*Subject to Government approval.

GAMING ACT 1968

A licence has been granted under the provisions of the Gaming Act 1968 for Crockford's Club 30, Curzon Street, London W1Y 7AE.

MEMBERS ONLY.

Fair trading inquiry into advertising ban

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading (OFT) yesterday launched a major inquiry into the trading activities of Essex Country Newspapers, a subsidiary of Reed International.

The investigation follows complaints that the newspaper group refused advertising space to a "property shop", a type of estate agency which charges substantially less for selling property than estate agents. It is alleged that pressure from estate agents in the Colchester area on the newspaper group had prompted the advertising ban.

It will be the fourth official inquiry by the OFT in the past 18 months into the trading activities of local newspaper groups. The OFT is becoming increasingly concerned that

local newspapers are acting unfairly in response to new competition and changes in its traditional markets.

It is particularly worried that established local newspaper groups are unfairly using their power to fend off competition from the fast-growing free-distribution newspapers.

The OFT decided to mount a formal investigation under the 1980 Competition Act, which gives it the power to look into any alleged anti-competitive behaviour by a single company. This will seek to establish whether the newspaper group refused advertising and, if so, for what reasons.

THE MANAGEMENT PAGE: Marketing

THE IDEA of selling industrial equipment by mail order is not a new one in Britain. But it has never—at least until quite recently—gained much currency. The U.S., as one might expect, and Continental Europe have well-established mail-order houses serving industrial buyers. It is no surprise to find that two of the more recent ventures in the UK have Continental parentage—one French, one West German.

A number of British manufacturers use mail-order as an adjunct to their own sales forces, but they tend to be in specialised areas like furniture or electronic components. One general industrial mail-order firm, General Trade Equipment, goes back 43 years.

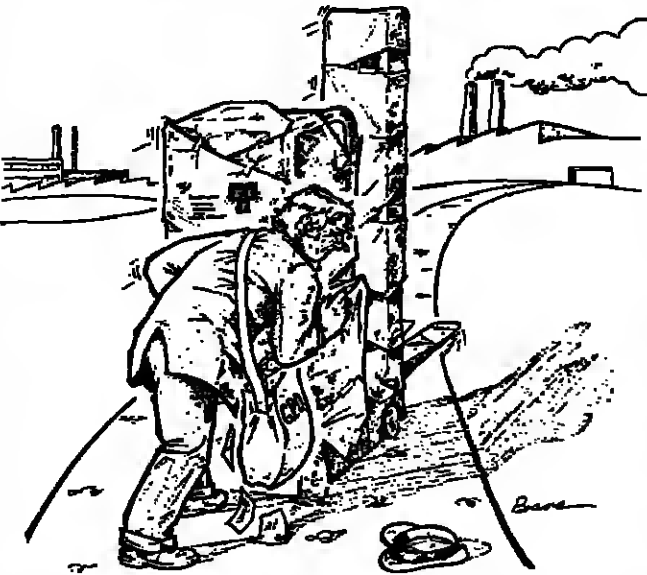
Nine years ago the West German firm of Kaiser and Kraft launched a British catalogue. At the same time a British-run offshoot of the French Manutan—the biggest industrial mail order house in France—was set up. Called Key Industrial Equipment, it now claims the largest circulation of all the purely mail-order concerns, with a turnover expected to top £5m this year.

KIE's managing director and part shareholder, Mike Osmond-Jones, believes that he has broken through the innate conservatism of the British industrial purchasing community. He expects the rapid past growth of his business to continue to the point where turnover reaches £15m within five years and he is known to every sizeable manufacturing establishment in the country.

The breakthrough — if such it proves to be — was not easy. To begin with suppliers shrank from the prospect of seeing their goods sold by post, so accustomed were they to the time-honoured routines of face-to-face salesmanship. Osmond-Jones, who at 62 has had a long business career, says that Britain is still a long way behind in marketing techniques. He also blames "abysmally poor standards of management" for the strain of his early efforts to convert

Will catalogues catch on?

Christian Tyler on industrial mail order



companies to the "new" selling method. Once converted, however, suppliers were "astounded by the results", Osmond-Jones claims. "You can sell almost anything through a mail-order catalogue."

It may be that suppliers have been pushed towards mail order by the rising cost of keeping salesmen on the road rather than pulled by the concept itself. A sales representative may cost at least £20,000 a year, which means that he has to shift about £200,000 worth of goods annually to earn his keep; and that, says Osmond-Jones, is not easy if you are dealing in low-value items. On the buyer side, some companies have been

embarrassed to discover how many purchasing department staff they could make redundant by going mail order.

The KIE catalogue is therefore weighted towards low-value items; although the principal test for their inclusion is that they should be staple goods, required by every kind of manufacturing business: banding and storage equipment, safety clothing, packaging tools.

They range from parcel openers at £5.25 each up to small forklift trucks at £6,500; the average value of orders is around £100.

KIE has some 300 suppliers, of whom 35 per cent account for the bulk of turnover. Most

of them are small outfits which would find it too expensive to try and market their goods across the country. KIE has an equity stake in some of its suppliers, and tries to minimise its turnover of suppliers by checking at least every 18 months on the quality and popularity of their goods.

Published twice a year, the catalogue contains up to 300 pages, including 16,000 different items. It claims a circulation of over 200,000, or twice that of its nearest competitor. It has about 60,000 customers, including many of the household names of British industry: Plessey, GEC, Shell, BP, ICI, nationalised industries and local authorities.

Like so many entrepreneurs, Osmond-Jones declares himself profoundly patriotic, and claims that 95 per cent of the goods in his catalogue are British-made. But he has discovered gaps that British manufacturers cannot fill, either in terms of price or specification. Osmond-Jones cites one product which he could buy for £650 from a Japanese manufacturer, or from a French importer for £230. Among some of the imported goods in the KIE warehouse are trailer jacks from the U.S. (cheap), work stools from France (unavailable in the UK) and industrial shelving, also from France (simple to install).

About 15 per cent of KIE's turnover is, however, in exports. KIE employs 45 people and an ICL mini-computer to produce the catalogue and process around 200 orders a day. The time-consuming job is the preparation of the catalogue, not least in compressing suppliers' technical literature into a small space.

The industrial mail-order market in Britain is estimated to be worth about £16m a year. Osmond-Jones believes that, even after his nine years with KIE, he is still only beginning to exploit the potential. "Within 10 years," he predicts, "60 per cent of the general run of goods bought by industry will be done this way."

ADVERTISING: BY FEONA McEWAN

Chirpy package for promotions

SHARP-EYED viewers of TV-am may have spotted, among the slick commercial offerings from Robin Hood, Kellogg's cornflakes, Walls foods, Telford coffee maker and Edam cheese, a jolly jingle and cute cartoon featuring the birds shown chirruping on this page.

Calling itself Early Bird, this catchy spot, which uses the same format to top and tail different products, describes itself as a completely new concept in television advertising. Its theme is strictly promotional advertising—such as cash-back offers, free mailings, trial product launches—and it aims to offer the promotional advertiser, who is usually on a tight budget, the chance to explore the small screen at prices he can afford.

Furthermore, and this should soothe the first-draw's nerves, Early Bird undertakes to handle scripting, directing and production of commercials, often at the last minute. Such tailor-made ads—they always use the same format with professional presenters explaining the promotion in a straightforward, unglum way—have the potential to reduce costs per thousand viewers by up to half that of conventional peak-time

network television. This, at least, is the theory of it. But there must be grave doubts about its appeal to advertisers unless audience figures pick up dramatically, and soon. The first week's viewing figures of a meagre 300,000, according to the Audience Research Bureau, took the whole advertising industry by surprise.

Early Bird saw its marketing opportunity in countering the high production costs of commercials and expensive airtime. Interest in the concept is already considerable, reports Early Bird, which has been developed jointly by International Marketing and Promotions, the largest UK sales promotion agency, in conjunction with TV-am. "It is possibly the most exciting development in the sales promotion field in the last five years," says controller Richard Church. "It opens up a whole host of new doorways."

Breakfast television was chosen because it reaches shoppers before the shops open rather than after they close. TV-am's rate card price for a package of ten 30-second spots is £20,500, excluding production costs. Early Bird's price, by



comparison is £23,210, including a week. "We were able to generate mass awareness of our promotion as quickly as possible," says John Farrell, the BNP director responsible for the UB account.

Early Bird has an alternative joint package whereby three manufacturers sharing a single promotion each pays £14,153 for 20 seconds.

First to explore the possibilities was United Biscuits with a commercial made in less than

20 seconds. "Quite how successful this Early Bird will be in catching enough worms remains to be seen."

Quite how successful this Early Bird will be in catching enough worms remains to be seen.

Accountancy sales talk

IT'S NO secret that the professions and commerce have traditionally been wary of each other, the one world viewing the other with the faintest hint of suspicion.

One area where this divide is narrowing is that of accountancy—not surprising since the work of one brings the other under close scrutiny. It now looks, if the signals are right, as if accountancy firms will soon be free to indulge in that most commercial and hitherto forbidden activity—advertising their services.

Firm proposals will be put before the Council of the English Institute of Chartered Accountants this spring. It is highly likely that the rules will be relaxed.

This will mean that up among the car, petrol and bank ads, accountancy practices will be free to put their cards. With some 16,000 practices in England and Wales and a conservatively estimated UK fee income among the larger firms of between £10m and £100m per annum, the relaxation of the rules could prove a profitable source of income to the advertising industry.

In anticipation of this radical change, the profession's newspaper, Accountancy Age, has issued a guide to what it calls practice development. Aimed at helping both the industry and the advertising world it offers advice on what an agency can do, how to choose one, what advertising can achieve and how to budget for a campaign.

The guide will also explain to the advertising industry the rules governing the ethics of the accountancy profession, how practices work and their problems and aspirations. Despite considerable reluctance among accountants to

enter the commercial field, Accountancy Age reports that it is being inundated with requests, mainly from smaller practices, for its guide.

The Accountancy Age Guide to Practice Development. Available from Louisa Vaughan, VNU Business Publications, 53 Frith Street, London W1. £2.

The message is on the bag

RECALCITRANT SHOPPERS who grouse at the plastic carrier bag levy at checkout counters may soon find little to grouse about.

Under a scheme recently launched, the bag will be free to the consumer and the cost will pass instead to the advertiser.

The idea of one-stop shopping—no intelligent, professional outfit that can advise you on every aspect of the business and also offer to save you significant sums of money in this high-cost area.

If you've got a current direct mail mailing or a call, if you're thinking direct mail for the first time, still give us a call. You'll find yourselves talking to a company at the heart of the whole business.

Phone Mike Ross or Janus Arrowsmith. Swindon (0793) 44555

Ralton Limited, Techno Trading Estate, Brambla Road, Swindon, Wiltshire SN2 6ES.

Ralton

PUT A PLUS INTO YOUR NEXT INCENTIVE SCHEME

Better incentive schemes mean better profits. If you want a better incentive scheme that is cost effective, contact Rewards Plus, a division of Empire Stores. We make full use of the parent company's £150 million a year buying muscle and advanced computer controlled handling systems. We've also got a team of experienced marketing people who can provide every aspect of the most ambitious incentive programme.

For more details contact: Rewards Plus, Dept FT1 21 Cantelup Road, East Grinstead, West Sussex RH19 3EB or telephone (0342) 25220.

REWARDS PLUS

Incentive schemes are gaining popularity

MANY COMPANIES are turning to incentive schemes as a means of encouraging sales staff to try just that bit harder during difficult trading conditions.

A new survey of motivational schemes shows that half the 600 or so companies quizzed intend to spend more on incentives in 1983 than they did last year. More than a third expect to spend about the same—with only the rump uncertain or intending to spend less.

The survey is further evidence of the growth in recent years of a market that is currently estimated to be worth upwards of £75m a year.

The new survey—carried out by Marketing Improvements with the sponsorship of Market-

ing magazine and Bonusplan (a leading promotions and incentives company)—provides fresh data on which incentives are most popular, and why the schemes are used.

Not surprisingly, cash was still the most popular, and effective, incentive offered to sales staff by the companies surveyed. Some seven out of every 10 respondents used some form of cash commission system to encourage extra effort.

But the survey also made clear that other forms of incentive were used quite widely. Retail vouchers, in particular, were only slightly less popular than cash incentives. These vouchers are redeemable in a wide range of different stores,

and are liked because the tangible reward represents the extra effort.

Holidays and specific items of merchandise were also fairly popular with companies as incentives, although points catalogues—whereby salesmen accumulate points towards gifts (similar to the trading stamps operation)—were less widely used.

The survey also identified the people who were eligible to take part in schemes and what they had to do to benefit. Nine out of every 10 companies surveyed offered incentives to their own sales force while some 40 per cent also used incentives to motivate the salesmen of a distributor (such as a wholesaler).

The most popular reason for running incentive schemes was to back up a new product launch—cited by 70 per cent followed by the need to motivate salesmen to open new accounts. Other reasons were to persuade salesmen to push a neglected line of stock and to encourage buyers to stock certain products.

Not surprisingly, the survey showed up a number of questions in the use of incentives. Perhaps the biggest paradox was that while cash was most popular in the industrial and commercial sectors included in the survey, it was significantly less popular in the insurance, banking and finance sectors.

David Churchill

Decide on your word processor.

When the future of your business is in the melting pot, decisions about systems get postponed. Result: stagnation.

But the word-processing issue is one you can easily settle now. The new-generation CPT systems are built to get your business moving today. But leave all your big policy options open.

From day-one your staff are at home with the CPT 8500 Series word processors. Because the only changes they introduce at first are in comfort and productivity.

Then decide on your future.

But the CPT 8500 word processor is more than an instrument of productivity. It's an instrument of change. Say you go for growth. No problem! CPT's Wordpak III™ System lets you expand your installation to match the work level without losing central information control.

Or go for integration. Text production is only one factor in office productivity. There's data processing and communications; and, when the time comes, you can rely on your CPT system to take both in its stride.

There's ingenious software to let you handle all your financial planning

A CPT word processor even thinks like a friendly old typewriter.

White A4 screen with proper black type and a 'page' that scrolls up from the typing line. (Why didn't information technologists think of that before?)

And a people-sensitive design that lets you put the 'paper' where your eyes want it and the keyboard where your fingers want it. (Why didn't typewriter designers think of that before?)

tasks like budgeting, analysis and project management.

And, by adding simple telephone modems, your system can communicate locally, nationally—even internationally.

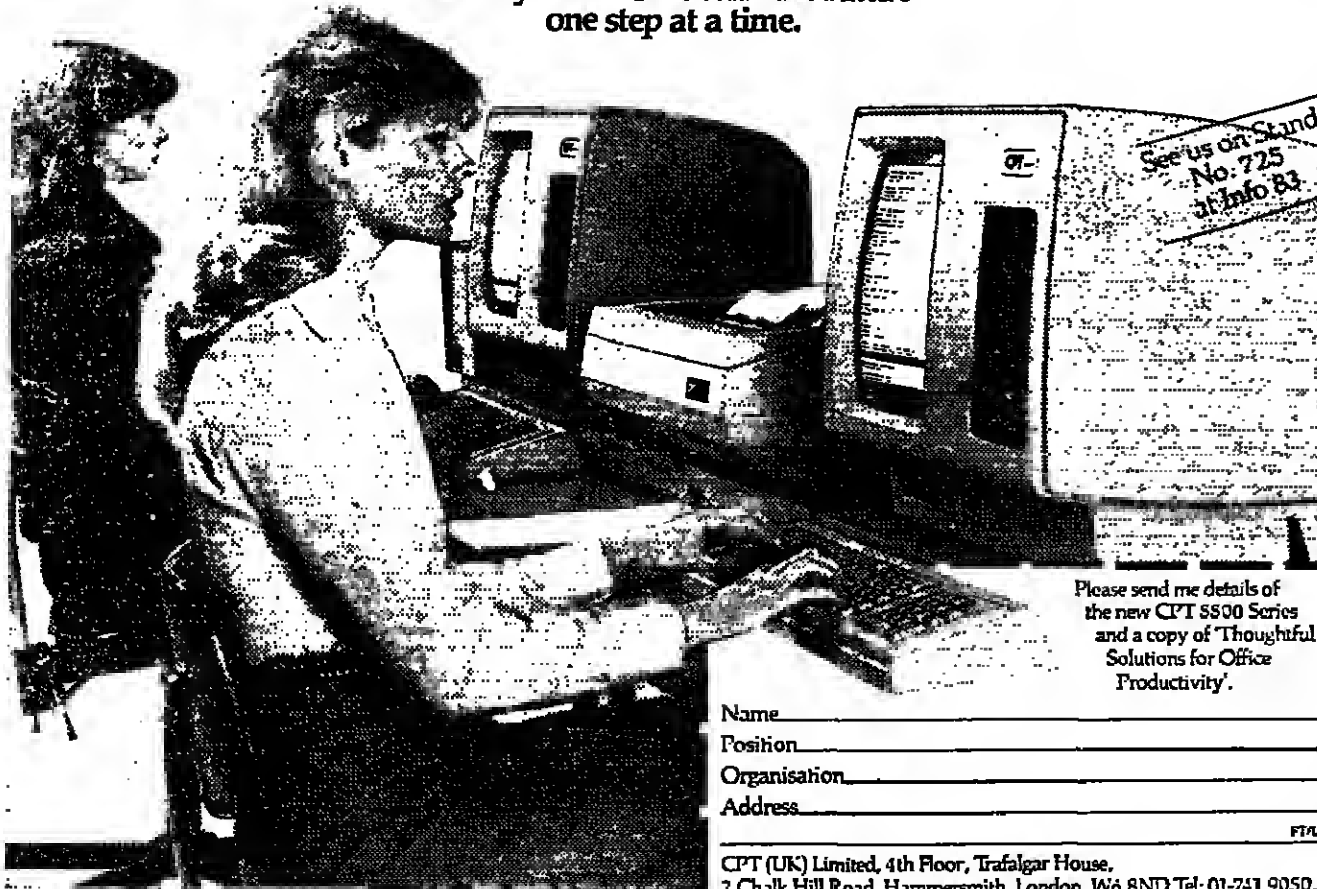
Because CPT word processors are designed to be genuinely bilingual. With the right keyboard they're fluent in any two of 20 languages from Arabic to Katakana.

But the future can wait for the hard decisions. The important thing is to get ready for it. And that's a remarkably easy step to take.

Post the coupon today. Tomorrow can wait.

CPT

makes you at home with the future—
one step at a time.



Please send me details of the new CPT 8500 Series and a copy of 'Thoughtful Solutions for Office Productivity'.

Name _____
Position _____
Organisation _____
Address _____

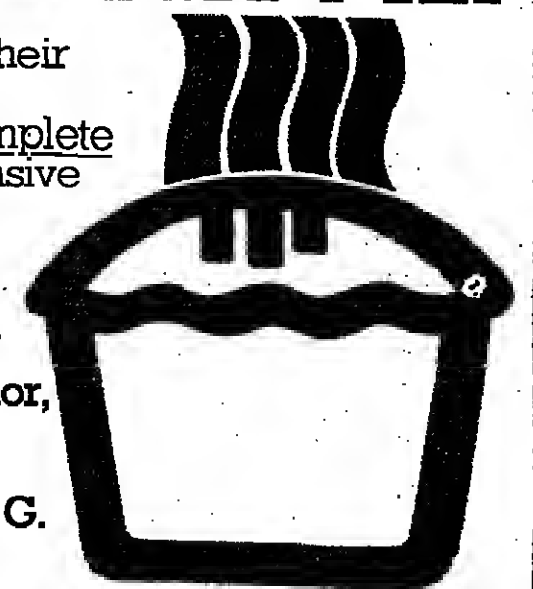
CPT (UK) Limited, 4th Floor, Trafalgar House, 2 Chalk Hill Road, Hammersmith, London, W6 8ND Tel: 01-741 9050.

WASHINGTON. EASY AS PIE.

To help butchers like T & I Bell to fill their catering order books, the Washington Development Corporation provided a Complete Relocation Package, including comprehensive information on schools, housing, transport, recreation, the Arts and workforce in the Washington New Town Development.

If you want to experience the taste of success, phone or write to Norman Batchelor, Washington Development Corporation, Usworth Hall, Washington, Tyne & Wear, Tel: (0632) 463591. Telex: 537210 DC WASH G.

Washington. In a word, success!



THE ARTS

Simonov/Festival Hall

Dominic Gill

Yuri Simonov, who has been the Chief Conductor since 1970 of the Bolshoi Opera, made his British debut with Eugene Onegin at Covent Garden last year. His direction of the opera, and of three subsequent concerts with the London Symphony Orchestra which he took over at short notice from an indisposed Claudio Abbado, made a vivid impression that was confirmed again with the LSO on Tuesday night—a conductor of powerful musical conviction, impeccable technique, and unusually graphic, almost balletic temperament, who knows how to call for, and still more important how to get, the best from his band.

The instinct is theatrical, and the method is carefully planned: the evening's three performances. By the very quality of their sound, the LSO were suddenly and more reliably so—once more a great orchestra. Over the whole dynamic range, from the quietest whisper to the noisiest declamation, the music was alive with the voices, inner colour. Simonov especially eschews the orchestral crash that sounds more like a breaking shop-window than a climax—even at its most thunderous the sound had mellowness and depth. Such care, moment by moment, for the grain and texture of orchestral sonority is not the rarest thing in the concert hall; but it is rare enough to be very refreshing.

Chalkovsky the master contrapuntalist was the chief proposition of Simonov's direction of both the fourth symphony and the violin concerto. I don't believe that I have listened for years to a Chalkovsky Fourth in which so much detail could be heard, or in which so many different strands were connected. Ideally perhaps, in the second movement—which contains the whole of Chalkovsky's microcosm—a conductor more in love with the soul of the music (as distinct from its body) might have discovered more of its darkly glowing melancholy, and less of its gentleness. But that was the tenor of the performance, and a consistent view, both acceptable and engaging: the return of the brass motto in the finale was presented as neither manic nor menacing, but rather as a hatching surprise.

The violinist in the concerto was Victor Tretyakov, an infrequent, though not a new, visitor to London since his first prize in the Chalkovsky Competition in 1965. The broad view of the soloist and conductor seemed to coincide exactly, bringing to every movement a sense of intimacy, relaxation and chamber clarity. But relaxation without blandness: there was lightness and brilliance too in the reading which gave it buoyancy, and a toughness which whirled the finale to a climax of high—like the symphony's, bracing—excitement.

As You Like It/Oxford Playhouse

Rosalind Carne

Student drama frequently throws up exciting individual performances, while failing to create an entire poetic world on stage. Not in Tuesday night's production for the Oxford University Dramatic Society falls straight into this trap; a double disappointment, for *As You Like It* is running in repertory with an adaptation of Sir Gower and the Green Knight, under the heading "A Celebration of the English Forest." There are many fine things here, but the forest is not one of them.

I find no single design credit in the programme, so I assume the overall plan is the director's. The principal motif is a series of hanging, translucent screens etched with tree trunks and branches. These are stylish, pretty and faintly unearthy, and would be most effective did they not jar so violently with the sackcloth-covered stage, littered with leaves and dry

twigs, and the homespun rustic costumes. Shifting lighting over a woodland silhouette only adds to the muddle—a bunch of good ideas which never coalesce into a coherent vision. The transitions from Arden to court, however, are well-managed by freeing the action in blackout around a solitary spot of light.

Yet, Mr Francis knows how to handle actors in ensemble, and the rhetorical games are beautifully executed. Julian Wate is a nicely modulated Touchstone, well at ease with the most tortuous courtly outip, and Humphrey Bower's is a charismatic Jacques.

There is also an unusually engaging Orlando from Chris Jones who speaks very well, and a down-to-earth Celia from Stephi Hemelryk. Her charm, cheek, and natural stage presence steal every scene from her over-boisterous cousin, played by Audrey Hellep.

Naples/The Place

Clement Crisp

Small in numbers, tirelessly energetic, Extemporaneous Dance Theatre is at The Place this week with two programmes of what is now called post-modern dance. Not in Tuesday night's opening bill, the usual austere, minimalist, but charming, and would be most effective did they not jar so violently with the sackcloth-covered stage, littered with leaves and dry

of Club Bombay Cinema is a different collection of creatures. Frequent urban young are involved with stereotypes from the films of East and West, but the result is confused and confusing. The cast impersonates cowboys and Indians—Indians, that is, from the sub-continent—and have a hell of a time. So do we.

Finally Fergus Early's Naples, which confronts the teeming life of the city today—a Lambretta, cooking pasta, a funeral, and television football all there before our eyes—with the last act of Buonaparte's Napoli, its steps maimed by a cast unable to cope with them.

As a *jeu d'esprit* it is too long, but it gives pause for thought about the quaintness of balletic genre painting and stage conventions, and the three men of the troupe—Lloyd Newson, Yashov Sirkin and Edgar Newman—are much of its comedy. Bonnoville wins.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, A selective guide to all the Arts appears each Friday.

February 11-17

Exhibitions

WEST GERMANY
Stuttgart, Staatgalerie, Konrad Adenauer Strasse, Late 18th and early 19th century Italian masterpieces reflect the beginnings of Baroque. Ends April 1983.

Düsseldorf, Kunsthalle, 44 Markt: Drawings and paintings depicting human beings from between 1800 and 1870 by Pier Paulin, the Italian movie director. Ends Feb 27.

Düsseldorf, Kunsthalle: The show offers a comprehensive survey of Henri Matisse. The 50 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by a dozen sculptures. The focal point of the show is the gigantic *La Danse*. Ends April 4.

Tübingen, Kunsthalle: 157 drawings, sketches, watercolours and collages by Jean Dubuffet, the French Art Brut painter and sculptor. Ends March 6.

Cologne, Rautenstrauch-Jossé Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropología e Historia in Mexico City. Ends May 15.

Hannover, Keatner Gesellschaft, 16 Warmbüchstrasse: The complete graphic work of Oskar Kokoschka: the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin, Braunsche Archiv, Künigshofstrasse: German paintings from the 12th and 13th centuries on loan from Harvard University's Busch-Reisinger Museum. Ends April 17.

BRUSSELS

Société Royale de Beaux-Arts: Perrier et Rue 1780-1800. The success of this exhibition has prompted a longer run. Ends Feb 18.

Musées Royaux d'Art et d'Histoire: Collection of Delft porcelain. Ends Feb 21.

VIENNA
Kunsthistorisches: Aspects of present day art in the Soviet Union from the Ludwig collection. Ends Feb 25.

HOLLAND
Rijksmuseum van Oudheden, Leiden: Egyptian hieroglyphs on papyrus up to 4,000 years old. Ends April 4.

LONDON
Walker Art Gallery, Liverpool: John Moore's 13—Britain's first and most important Open Exhibition, which regularly attracts a strong entry from amongst our best contemporary painters. The prizes are generous enough: £5,000, £3,000, £2,000 and ten at £250, but the prestige lies in the selection itself. This year's exhibition is full of strong unconventional painting, both figurative and abstract, with John Hoyland's *Victor Ludorum*. Ends Feb 20.

Whitechapel Gallery: Barry Flanagan enjoys perhaps the widest or at least the most rapidly expanding international reputation of the younger British sculptors. His work of the past ten years evinces a distinctive,

poetic, delicately judicious sensibility, whether it is a natural lump of stone just barely marked or a leaping hare modelled in clay, cast in bronze and brightly gilded. Ends Feb 20.

The National Portrait Gallery: Van Dyck in England—if not unquestionably the greatest, portrait painter, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, domineering Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

NEW YORK
Metropolitan Museum of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the living room he designed for the Francis Little House. Ends Feb 27. (\$55/100)

Whitney Museum: The 75th anniversary of the exhibition of *The Eight*, the group surrounding artist and teacher Robert Henri, is being remembered with nearly half of the 60 paintings first shown at the New York Macbeth Galleries in defiance of conventions established by the National Academy of Design. Besides Henri, works by Luke, Lawson, Shinn and Davies will recreate

Royal Academy/William Packer

The Crucifix that marks an epoch



Detail from the Cimabue Crucifix: a haunting masterpiece

In 1979, Olivetti brought one of the four Horses of San Marco, recently restored, thoroughly investigated, and surrounded by the most wonderful fragments and comparative examples, to the Royal Academy, all of which proved in the event to be one of the most remarkable exhibitions in a generation.

Now the association continues, and again it is one of the great treasures of Italy that Olivetti has brought to the Academy. Until April 4, the Lecture Room is occupied, and indeed dominated, by the great Cimabue Crucifix from Santa Croce in Florence, one of the seminal works of the early Renaissance, and now restored

having sustained the most dreadful damage in the appalling flood of 1966. Perhaps rescued to the better world, for much of that damage was irreparable, and the blank areas of discreet and judicious tone speak all too eloquently of what, and how much, was lost. But that anything should have remained at all was a kind of miracle, and the documentary photographs of the flood in full spate, and of its immediate effects, still challenge belief.

The small display in the adjoining gallery follows the story from the moment of retrieval and the first stages of repair, which began at once with disinfection and simple

drying out, through to final reinstatement, a story of infinite and hair-raising precision, delicacy and care.

But the Crucifix itself is the thing, and most extraordinary it is, hanging alone in the middle of the room and powerfully physical in its presence, quite as much as sculpture as a painting, its panels and cross-members at its back like nothing so much as a ship's timbers. Inevitably it is the painted surface, however, that finally commands attention and contemplation; the huge olive-green and ochre figure of Christ no longer the majestic, hieratic icon of the Byzantine tradition, to which it is clearly still so close, but now new and revolu-

tionary in its humanity, the head relaxed in death and sunk against the shoulders, the eyes closed, the body serpentine against the rich gold and blue of its support.

It is, of course, an image that is still highly stylised, and it was to be left to Cimabue's great pupil, Giotto, to establish and confirm this new and decisive naturalism, and to leave behind by far the more substantial and directly influential body of work; but it is Cimabue's haunting masterpiece of the later 1280s that marks the epoch, and perhaps the most important turn of all in the evolution of European painting. It is a great privilege and treat to have it here in London.

Salome/Geneva

Ronald Crichton

Maurice Béjart admits to long fascination with the figure of Salome. He has choreographed a ballet and directed a film derived from the story. The flash-point for his brilliant, and somewhat over-the-top, production of the Strauss opera at the Grand Théâtre, Geneva, was a weird scene he witnessed in a Cairo hotel during a pan-Arab conference—pink Cadillac disgorging men wearing battle-dress and djebellahs, armed with machine-guns and antique daggers, their veiled women trailing huge transistors full blast, "a mixture of primitivism and gadgetised Westernism."

The designer Nuno Cortes Real accordingly created a deep black space which, Béjart says, "could be a casino at Belém."

The space is filled with heterogeneous objects and people—Roman busts, a great seven-breasted Judean candlestick, scaffolding towers half-concealing armed soldiers in modern uniforms, page boys in pill-box hats, an impression of guests in evening dress among the rumbering throng seen in turmoil before the music starts.

A Near-Eastern megalopolis, where ages and races rub shoulders and smoulder.

The military presence is a constant menace—is Herod being threatened or protected, or both? Béjart, unlike his Germanic colleagues, imposes no philosophical-political baggage, but the contemporary allusions wonderfully sharpen the atmosphere of tawdry luxury.

Jochanaan is raised from his cistern into a tower of glass and chromium from which he emerges, sheathed in pure, gleaming white, to make hieratic passes before inveighing against Herod and his wife. Given the noble voice and bearing and long limbs of Simon Estes, the scene is uncommonly impressive. Nothing less like the usual mangy-looking apparition in rags could be imagined. Salome

off, Salome crouches over Jochanaan's severed head just above the second violins. Her monologue and ghastly kiss over, the ramp shoots back into a group of soldiers ready for the kill. Herod and his wife, given the noble voice and bearing and long limbs of Simon Estes, the scene is uncommonly impressive. Nothing less like the usual mangy-looking apparition in rags could be imagined. Salome

One of the achievements of this absorbing evening was to redeem the shoddy in the score by visual and musical excellence.

the chosen style as the way it is handled.

The conductor Horst Stein has gone back to the slimmed-down version of the orchestration made by Strauss for a Dresden singer about 1930 (and used later by Maria Cebotari, wife of Clemens Krauss).

Voices were easily heard. The squabbling Jews came through more strongly than usual. Words did not fare so well (none of the principals was German). Herod and Jochanaan were clearer than Herodias (a potentially rich portrait thus robbed of full effect), or, except for some careful phrases, Salome herself.

Julia Migennes-Johnson, a remarkable artist whose Lulu in New York has been praised on this page by Andrew Porter, presented a spoiled gamine of

Salome, a "Nietzschean virgin" (Béjart), moody, wilful, self-possessed, genuinely curious, almost likable in her candour. The voice may not be large, but there is colour and sap and character in plenty. Yet sub-standard diction—for example in the dialogue with Jochanaan, allowed a suspicion of monotony to invade the musical line, contrasting oddly with the mobility of the singer's body and features.

For the dance there was no stripping, but a short, more or less oriental black outfit with a vestigial tulle—Miss Migennes-Johnson has good legs and can use them. Béjart gives his singer clear-cut movements, a few initial aplomb, indicating how initial mechanical deference to Herod is overtaken by obsession with Jochanaan and swift descent to depravity. For the final scene, Salome is robed in full-length splendour with, briefly, an ornate gold head-dress.

From her privileged position the singer had none of the difficulty with the orchestra expected at this point. The musicians of the Suisse Romande Orchestra played with a clarity and finesse worthy of their founder, Ansermet, whose centenary falls this year. One of the achievements of this absorbing evening was to redeem the shoddy in the score by visual and musical excellence. For once the dreaded dance seemed to take its rightful place with the rest.

The Wreckers/Warwick

Andrew Clements

Neglected woman composer's work revived

Strident suffragette, putative lover of Virginia Woolf, Ethel Smyth (1858-1944) survives now in the history of English music more as one of its most fascinating characters than an original creative genius. She was apparently regarded highly by European contemporaries—Brahms, Grieg, Dvorak—and in her lifetime, her music was well respected at home. But *The Wreckers*, the third of six operas, is the only one of her works that has retained the barest toe-hold in the repertoire. A tiny niche indeed, for the products of the University of Warwick Opera Group which opened on Tuesday in the sumptuous Arts Centre there, is the first since 1939.

The libretto, by H. B. Brewster, close companion of Smyth, is a tight, strikingly dramatic, and eminently operatic plot, an everyday story of 18th-century Cornish folk, with sex and religious fervour irresistibly entwined. There is little spare flesh; the action moves forward without complications, and characters are sharply defined. It is easy to see why it made such a strong impression in early performances (the premiere was in Leipzig in 1906 and it reached London three years later) for removed from the wan, sentimental operas that were the convention of the domestic stage at that time.

The music pushes forward as fiercely as the libretto demands. There is no lack of passionate climaxes; the first and third acts belong to the wreckers of the later 18th century. After nearly 50 years this staging does no discredit at all to Smyth's halfwit and fascinating score.

to provide their livelihood. The problem lies in the utter anonymity of the vocal and orchestral writing; there are plenty of echoes of models—Sullivan and Wagner are omnipresent, Mascagni and even Bizet emerge from time to time—but nothing is original or fresh.

Evidently, Smyth had no truck with transitions for choruses and solos are rammed against each other with grinding changes of gear while ensembles are almost always busy and congested. It is the kind of music one might expect from such an uncompromising character, who had to take on a musical world in which male chauvinism was the norm.

There is a constant mistrust of charm and sentiment: phrases that begin to follow a graceful curve are deliberately turned against themselves, sullen harmonies are generally soured by dissonance. The operas are contradicted and the result is a strange brand of fervid monotony with few purple passages.

This Warwick production with young professionals taking the leading roles is energetic and imaginative. The director Graham Vick and designer Richard Hudson have produced a highly convincing set with the bare minimum of material, acting is good, the chorus is carefully placed. The ending of the first act when nets and rope ladders fall like a curtain across the stage and the crowd clamours all over the stage is a real dramatic coup; the sheer exuberance is also a great asset.

Simon Halsey conducted the score with much fire—the only credible approach, for a lotting account would be unthinkable. There are good, suitably intense performances from Robert Dean, Paul Wilson, Anne Mason and Elizabeth Byrne in the leading roles. After nearly 50 years this staging does no discredit at all to Smyth's halfwit and fascinating score.

Kick for Touch/Cottesloe

Michael Coveney

Next week the Cottesloe revival of *Touch* plays *Small Change*. Like that admirable piece, *Kick for Touch* skirts around the lost love affair of two male Welsh war babies. Both plays tinker experimentally with jump-cut techniques of time and action. But the new play, running for barely an hour, could justly be retitled "Short Change."

Alison Chitty's design consists of a cut-out living room with a door, a table and four chairs. Three excellent actors—Jane Lapointe, James Hazeldine and Kenneth Cranham—play short sharp variations on domestic soapbox relations. The style is to recapture past liaisons, past rows, past affections. After 40 minutes it becomes clear that Joe and Jim are brothers. But they are also friends, sons, lovers, rivals. Eileen is both mother and lover.

Joe (Mr Cranham) and Eileen have terrible arguments over whether Joe is going out to the pub or whether they should have another child. The first child seems to be Jim (Mr Hazeldine).

So for those stuck on working out at what stage in the story we may have arrived, the piece is a continuous puzzle, not to say struggle. While in the Lyttelton we have a map of the world as backdrop to a parallel triangular situation, we have here a map of the living room. We also have an awful lot of pretentious Pinteresque pauses punctuated with admittedly highly charged emotional salvos.

The play is in three scenes. The last opens with an embarrassingly inadequate rendition



Kenneth Cranham

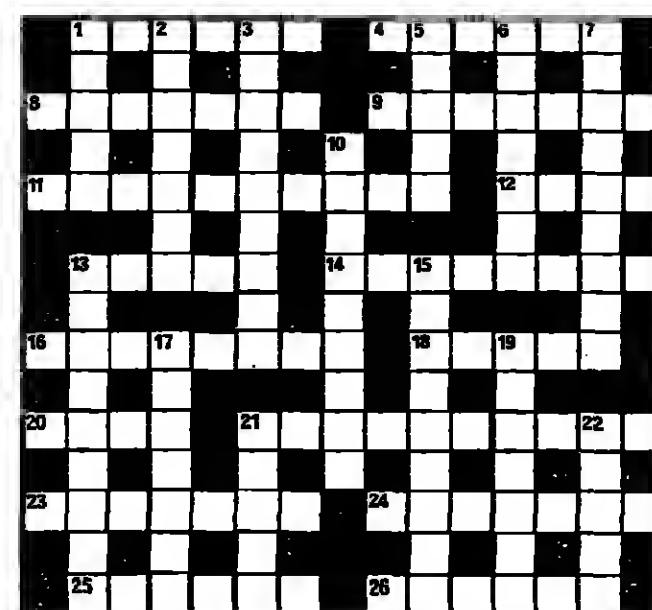
by the lads of songs of Presley and Buddy. And Mr Gill is his own director, no one has stepped in to do anything about this sequence.

I don't think it's excuse enough for the National to have dropped its ticket price to £3 for this show. I happen to believe that all shows at the National should be offered to the customer for about £3—this is surely the point of the lavish subsidy it receives from the taxpayer. Nor do I think that the theatre's new "plays policy," such as it is, is well served by such precious self-indulgence as we have here.

F.T. CROSSWORD PUZZLE No. 5,100

- ACROSS**
1 Double tea dance (3-3)
4 The lady to move round one slowly (6)
8 Racket era storm (7)
9 Keep purchasing, we hear, presently (2,3,2)
11 Developing countries behind leaders to international arena (5,5)
12 Bird's mode of travel (4)
13 Stubborn creature nearly caught for fine (5)
14 Variety is exciting with circus top in truth (8)
16 Find rare energetic radiation here (5-3)
18 It's corvo kind of puzzle to the listener (5)
20 Policy statement has morbid bit in it (4)
21 The crazy vehicle of a rattling good musician (10)
22 Lot in favour of music (7)
24 At the very least, a car for mother (7)
25 The walk for old age to hit back (6)
26 Aim of camping (6)

- DOWN**
1 Bus trainer (5)
2 A learner takes in paper on changing gear (7)
3 The rain on the roof? (4,5)
5 A tree gets dull publicity (5)
6 Information for boy applicable to all in class (7)
7 Can one outlet be arranged



for this dungeon? (9)

10 Pride on TV, perhaps. Shows forethought (9)

13 Plan cash value's a little short (9)

15 Pardon in respect on the girl charge (9)

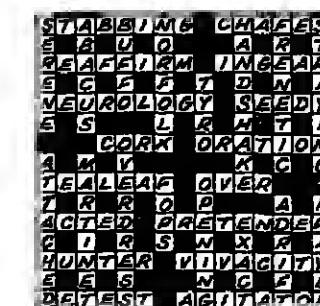
17 Went round a gallery in Hull (7)

19 Fancy, I'm against the English! (7)

21 False god embraces name that's commonplace (5)

22 The Queen's put out to make breakthrough (5)

Solution to Puzzle No. 5,099



FINANCIAL TIMES

operates a subscription hand delivery service in the business centres of the following major cities

AMSTERDAM BOMBAY BONN

BOSTON BRUSSELS CHICAGO

COPENHAGEN DUSSELDORF

ENDROVEN FRANKFURT

GENEVA THE HAGUE HAMBURG

HONG KONG HOUSTON

JAKARTA KUALA LUMPUR

LISBON LOS ANGELES LUGANO

MADRID MANILA MEXICO CITY

MIAMI MONTREAL MUNICH

NEW YORK PARIS PORTO

ROTTERDAM STAMBOUL

SINGAPORE STOCKHOLM

STUTTGART TAIPEI TOKYO

TORONTO UTTRECHT VIENNA

WASHINGTON

For information contact: G. T. Damer, Financial Times, Guildford Strasse 34, 6000 Frankfurt am Main, F.R.G. Telephone 7598-0; Telex 616193. or Laurence Allen, Financial Times, 75 Rockefeller Plaza, New York, N.Y. 10018; Telephone 469-5900, Telex 236468 FTOL UL.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
 Telegrams: Finantimo, London PS4, Telex: 8954871
 Telephone: 01-248 8000

Thursday February 17 1983

The path to arms control

IN THE growing controversy over European-based nuclear missiles, there is one proposition (and probably only one) which has overwhelming support in Europe: we must have progress on nuclear arms control and preferably on nuclear disarmament. There is concern at an arms race in which the superpowers regularly leaping each other; at the evidence of Soviet aggression in Afghanistan; at the bellicose anti-Sovietism of some elements in the Reagan administration. To many, these are dangerous and destabilising factors. Where consensus breaks down is over what kind of arms control to aim at, and how to secure it.

The starting point must be official NATO policy as it stands today. Just over three years ago the alliance decided that it would deploy 572 new intermediate-range missiles in Europe, starting at the end of 1983, to counter the deployment of new Soviet SS 20 missiles; and that in the meantime the U.S. would seek reductions in theatre nuclear weapons through negotiations with the Soviet Union.

Escalation Since then, negotiations have started in Geneva, in which the U.S. has opened with a proposal to eliminate all intermediate-range missiles on both sides. The question is: is there a better way to achieve an arms control agreement for this class of weapons?

Many criticisms have been directed at the original NATO policy decision. Some have argued that deployment of new weapons, so far from "countering" the SS 20s, would just be another escalation in the arms race; others, that the Pershing II missiles, which are earmarked for West Germany and would have a 6-minute flight-time to Soviet territory, are provocative and destabilising; others, that the mobile cruise missiles are inherently difficult to verify, and would therefore make an arms control agreement more elusive.

These criticisms have a validity, of a one-sided kind. The escalation objections to the proposed weapons, or to argue that deployment of the SS 20s; if Pershing IIs are provocative, so are SS 20s; if cruise missiles are mobile, so are SS 20s.

The most powerful critique against the deployment of new

Nato missiles is that their military rationale, in the context of mutual deterrence, is highly debatable. Both sides have such a proliferation of nuclear weapons of different types and ranges, according to this argument, that the upgrading of one type cannot make a significant difference to the stability of deterrence.

It is now, however, these purely military factors have been overtaken by two other considerations: how to secure an acceptable arms control agreement, and how to hold the Atlantic Alliance together.

Reluctant

In the worst case analysis, these two considerations could become one; for if the U.S. fails to secure a deal in Geneva, and then the anti-nuclear protesters in Europe manage to prevent deployment, the alliance will be shaken to its foundations. One U.S. spokesman has already warned it could lead America to withdraw its troops from Europe.

The Soviet Union is doing its best, by propaganda, to undermine European support for the 1979 NATO treaty decision, and for the time being remains clearly reluctant to offer any deal which the West could possibly accept. Nevertheless, there have been signs of movement on the Soviet side over the past three years, even if it has not gone far enough. It seems clear that only the prospect of deployment, or the beginning of deployment itself, will provide the incentive for Moscow to take the final steps towards a compromise.

Alternative

If the European governments want to keep NATO together, they must stand by the 1979 NATO decision on the grounds that this is the only way to secure an arms control agreement which would minimise, if not actually ban, the presence of these weapons. The alternative is for an acceleration of the arms race, and the risk of a new arms race in the Atlantic Alliance, and a further increase in East-West tension.

It is now too late to raise escalation objections to the proposed weapons, or to argue that NATO does not really need them for effective deterrence. The choice lies between the twin-track NATO decision—deploy or disarm—and unilateralism. There is no middle way.

A right of reply to the Press

TOMORROW, Mr Frank Allaun's ineligibly named Right of Reply in the Media Bill comes up for its second reading in the House of Commons. The bill would give a statutory right of reply to any person who "has reasonable grounds for considering (a newspaper or broadcast report) to be factually inaccurate or distorted."

The reply would normally have to be printed within three days of a request to do so, and the complainant could insist that the reply was of "equal length to the report replied to" and "printed in the same position as that report."

Disputes would be referred to a new panel chaired by a judge. A recalcitrant newspaper would be liable to a fine of up to \$40,000.

Disquiet

There is no doubt that the bill reflects a widespread disquiet felt among the general public at the way that the Press uses and in some cases abuses its freedom. In just the same way, a substantial section of the journalistic profession is concerned at the issues raised by the bill.

If a newspaper, whether it be a mass circulation tabloid or a low circulation paper of record, makes an error of fact, and in particular if that error of fact is damaging to an individual or organisation, then that person ought to have some recourse to limit, and if possible eliminate the damage that such a false report causes.

Examination

In a perfect world, he would write to the newspaper pointing out the error and the error would be corrected in an appropriate manner. Where a libel is involved, the complainant can go to law and in some cases win substantial damages. In practice, this perfect world rarely exists. The readiness to admit error varies from newspaper to newspaper and from case to case. By no means every complaint of inaccuracy made to a newspaper bears examination, and a large number more fall

into that grey area where one journalist's interpretation of events is another man's distortion. A prosecution for libel is both time consuming and expensive.

The case for some form of statutory right of reply is that the principle of a free Press has to be tempered by the rights of individual citizens.

An individual about whom something inaccurate is printed needs some recourse in law to counter what the public perceives to be the enormous power of national newspapers. It is argued that a statutory right of reply exists in Germany, France and Denmark, and that a free Press continues to flourish.

The classic case against the law intervening in these matters was made by Thomas Jefferson 70 years ago: "I deplore... the putrid state into which our newspapers have passed, and the malignity, the virulence and malicious spirit of those who write for them." But this was "an evil for which there is no remedy; our liberty depends on the freedom of the Press, and that cannot be limited without being lost. This is a powerful point of principle."

Overdue

In our view, Fleet Street needs to start putting its own house in order. Today's statement from the Press Council that it will speed up its procedures is long overdue. But the present Press Council does not enjoy the confidence of either the general public or of all Fleet Street's newspapers, and lacks the teeth it needs to do its job. Nor is Fleet Street united on the issues of journalistic ethics; the process of working towards any consensus will be an arduous and painful one.

In the meantime, the Allaun bill should not be given a second reading. Even if the case for statutory right of reply is long overdue, the bill is far too sweeping and the proposed judicial quango far too cumbersome to fulfil its purpose. Fleet Street must go through the painful process of learning to regulate itself.

"WE FEEL we've been given no part to play in this Administration," says Murray Seeger, chief spokesman for the AFL-CIO, the U.S. unions' confederal body, gesturing through his office window to the White House half a mile away across the park. No one in the Administration attempts to deny it.

Under President Carter, union leaders could drop in any time, especially towards the end of his presidency, when they were almost the only organised group whom Carter had not estranged. Now, they have to make do with just looking at the White House, like everybody else.

U.S. labour is clearly at a turning-point. Spurred by Government, battered by recession and threatened by automation in every sector, it is striving to expand in new areas, to form alliances with black and women's organisations which it had previously shut out, to exercise greater influence over a Democratic Party which itself is searching for a coherent programme and a credible presidential candidate. It is on the success of these efforts that its very future as a power in U.S. society beyond the year 2000 will depend.

The U.S. unions grew rapidly after the (First) War Labor Conference Board established collective bargaining in key industries. The industrial-based unions, as the mine and auto workers, split from the craft-dominated American Federation of Labor in 1936 to form the Congress of Industrial Organizations: the CIO rejoined as the junior partner in 1955.

After the Second World War, with membership high, the unions undertook a purge of all Communist and many left-wing elements in the face of a cold war whose themes management pressed into service in an attempt to brand all organised labour as subversive. The unions proved their democratic credentials (though some were purged organised crime from their ranks) and in so doing, shaped themselves into a considerable force in U.S. society and a pillar of the Democratic establishment.

Yet the fact that they organise at least potentially in opposition to the interests of capital has meant, in effect, that they remain the best uneasy partners with business interests and the Government. Industrial relations have veered sharply from unorganised acquiescence in many sectors—especially the service sector, employer of some 60 per cent of U.S. labour—to heavily unionised combativeness in older industries such as autos, steel or deep mine coal.

By contrast, U.S. management not only generally sees unions as a disease to be cured but—unlike many of its European counterparts—can avoid it. Alexander Trowbridge, president of the National Association of Manufacturers, says his members are "increasingly interested in getting improved employee relations in order to avoid creating the conditions where unions are demanded." He equates unionisation with inflexibility: in a recent speech to the Washington chapter of the Industrial Relations Institute, he praised high technology companies for their "outstanding personnel programmes which help deter unionism" and for setting up in states where "Right to Work" laws effectively curtail union recognition.

The AFL-CIO's name for this is union busting, and unions are hurt badly by it. Consultants have expanded their scope in advising managements how to

THE U.S. LABOUR SCENE

Why America's unions are at a turning point

By John Lloyd, Labour Editor

TWO KEY UNION LEADERS



Douglas Fraser

HAVING LEFT his native Glasgow in 1922, Doug Fraser spent much of his adult life struggling to organise the auto plants of Michigan and Illinois. Tall and gaunt, with a brilliant smile and a profane charm, his bargaining reflexes are those of a man accustomed to winning fat deals and big fringe benefits—or to calling out his members if refused.



Glenn Watts

THE SON of a dispossessed North Carolina sharecropper who trekked to Washington for work in the depression, Glenn Watts was first enrolled in a union when working as an usher in a Washington cinema. Switching to telephone engineering, he rose rapidly through the union ranks to become CWA President in 1974. Less well known

than Fraser, he is as well regarded. He has shaped the CWA into an outward-looking union, which now runs TV commercials exhorting prospective members to join "the trade union family that's helping to build this great country of ours."

He sees a "new era on the horizon of collective bargaining"—traditional adversarial relations may be gradually modified by co-operative management. He thinks other issues than wages will become increasingly important. In more traditional vein, Watts has set himself the task of organising IBM, seeing the company's entry into the communications field as a way in. He has long foreseen the consequences of the diversification of Bell (AT&T) into separate companies, and has signed agreements to retain his membership in the new groups. Politely scornful of old fashioned tough guy unionism, Watts approaches his job as the most likely to win his—and other—unions' success, if any is to be won.

Chrysler proposed it in the UK in 1976 as a quid pro quo for a Labour Government buy-out—stopped executives awarding themselves big pay rises and forced them to consider social criteria before closing a plant.

"I think it should exist across the piece in the U.S. I believe there should be better understanding on boards of the needs of workers, and on the workers' part, of the problem of the company. If there are problems, you should know."

As things stand now, they are bound to have a considerable effect on Democratic economic policy. Their concerns—for an industrial programme which would involve more government aid to industry and "a local content" legislation now being promoted by the UAW, specifying that a high proportion of goods imported be made in the U.S.—could form a major part of a Democratic platform.

A number of union leaders, with some support from Democrats and intellectuals, favour a revival of the shorted Carter "social compact" where job security and increased investment are traded off against wages. But this idea has not, it seems, caught the imagination of the influential group of largely younger Democrats—of whom Senator Gary Hart, a presidential hopeful, is one—who are moving away from their party's traditional reliance on government spending towards stimulation of world trade, technology and growth. These neo-liberals—or "Atari Democrats"—see the unions as potentially hostile to their aims. Others believe the typical three-year contracts have now become unwieldy obstacles in a rapidly-changing scene, and wish to replace them with one-year contracts, possibly underpinned by legislation.

In the end, the U.S. unions can rely on nothing but their own ability to organise, bargain and win. These abilities have been abundant in the past; they are now seriously weakened. The unions will need to make great efforts—greater than at any time in their past—if they are to demonstrate them again in the future. This is the first in an occasional series on trade union movements in major industrialised countries.

avoid unions over the past decade; while companies like Dupont have held off beat-down attempts to unionise them. U.S. unions usually have to win a representational election in order to be recognised; even if recognised, a subsequent election can remove that status. Unions have lost more such elections than they have won in recent years, and spent millions in fruitless organisation drives.

Two extra factors have now put a novel pressure on the unions: Reagan and recession. The unions tend to blend the two into one. President Reagan, himself once president of the AFL-CIO-affiliated Screen Actors Guild, did not use anti-union rhetoric in his campaign for the White House; and his strong line on defence helped him win up to 50 per cent of union members' votes. But once elected, he has made no efforts to win labour: AFL-CIO president Lane Kirkland told reporters recently he never picked calls to or received calls from Reagan, an extraordinary state of affairs in the U.S.

Barry Bosworth, former director of Carter's short-lived Council on Wages and Price Stability and now a Brookings senior fellow, says: "It's been shown that there's been great growth in the incidence of people who organise unions being fired. The Government does nothing to stop this; the employers and the unions fight it out forever in the courts and by the time it's settled, who

cares? The company's made its point and the union's gone. Reagan has twice personally intervened in the labour scene, both times to the detriment of the unions. He kept the airlines running in 1981 in the face of a controllers' strike—by doing so, he smashed their union. Last year he forced the train drivers to arbitration, which ended their traditional 15 per cent differential over other rail workers. Both initiatives were popular.

The recession, though, is the more serious matter. Presidents come and go but employers endure and are harder to beat in harder times. Across much of U.S. industry unions are signing "giveback" contracts: giving up wage rises or accepting wage cuts, suffering reductions in the fat package of fringe benefits which accompanies most U.S. deals, forgoing their cost of living increases, Airline, food, engineering and auto unions have all signed such contracts at standstill wages. Only the steelworkers have (so far) spurned the recommendations of their union leaders to sign early contracts carrying wage cuts which the companies claim they need to survive. The auto industry has commanded the most attention. It is the industrial heart of the U.S.; the U.S. auto workers are the wage leaders, and at times the social conscience, of the AFL-CIO. At GM and Ford, negotiations on contracts in 1982 froze wages and cut benefits: in return workers got

promises of profit-sharing (when there were profits to share), some job security and more information (mostly discouraging).

Chrysler, surprisingly, proved the odd man out. There, the workers had had two years of givebacks to a company supported by government and with its back to the wall, a third year was not on. Scorning the wage freeze recommended by Doug Fraser, the UAW president—who then relinquished his seat on the board given in recognition of his members' sacrifices—Chrysler workers in Canada struck and forced wages to rise for themselves and their U.S. brothers.

Bosworth sees this as proof that matters have changed. "That company was 24 hours away from being wiped out, and only then did the workers agree to a deal. Then the company comes back a little and immediately the workers say 'we want our money back.' The UAW does not want to be expected—subscribe to the view that its recent contracts were wholly awful. Fraser stresses that, in the break-through Ford contract signed last March, the union gained guaranteed income for workers to be laid off, improved benefits for those already laid off, lifetime employment for 80 per cent of workers employed in two large plants chosen to experiment in this straight lift from Japanese practice and increased commitment to consult, with the right of a UAW

executive to address the board twice a year.

Peter Pestillo, the young industrial relations director who made the deal with Fraser, stresses the experimental nature of, for example, "lifetime" employment schemes—but draws the correct conclusion: "The collective bargaining is barely a 40-year-old phenomenon; as institutions go, pretty young. What we at Ford have done is to confer legitimacy on the union. We resisted them for a very long time—now we have concluded that they will be with us for as long as we are around, therefore we must have a way of having a mature relationship."

It remains to be seen whether Ford—and other workers regard more mature relationships as a sufficient trade-off for immediate wage rises; Fraser believes they will. He, and his fellow union leaders, also point to other factors which, they say, testify to the continued health of the U.S. labour movement. While membership has shrunk in traditional sectors, growth in other areas has partially compensated. The AFL-CIO is making a determined and expensive push for membership in the South; so far, little has come of this but, says Fraser, "Sooner or later these Southerners are going to say: we're not second-class citizens, we should get as much as Northerners and in the end the company is going to have to capitulate or we'll organise them, or both."

Men & Matters

Shinn leaves First Boston

Although Wall Street was taken by surprise at the news that George Shinn is retiring at the age of 59 as chairman and chief executive of First Boston, the move had apparently been planned within the firm for some time.

The investment bank, which seems to feature in all the bloodiest takeover battles these days, has been transformed since he moved over from the president's office at Merrill Lynch in 1975. Net income in 1982 totalled \$93m, having fallen to as little as \$1m in 1978.

Of course these figures owe a lot to the amazing boom which is still under way on Wall Street. But in addition, First Boston has become a much more aggressive, risk taking business, despite its conservative manner. Shinn has vastly expanded the trading side, where revenues have increased but more than tenfold in seven years and built the highly visible merger and acquisition de-

partment just about from scratch.

His successor as chairman, Peter Buchanan, joined the company in 1956 when it was little more than a gentlemen's club, and played a big part in developing the trading side. Now aged 48, he plans to continue the emphasis on wholesale institutional business, rather than retail brokerage and to do this through the successful stake in Credit Suisse-First Boston.

As for the group's image, he's happy for First Boston to be seen as aggressive, "but I wouldn't like people to think that we are riverboat gamblers."

On safari

Jerry Nanna is making his third visit to Britain within a year, and not even the bitter wind blowing through London's West End can take the edge off his enthusiasm for British craftsmanship.

Nanna is president of Abercrombie and Fitch, the upmarket American store chain specialising in sports goods and accessories. He is in London to look for more paraphernalia including croquet sets, fishing rods, picnic baskets, shooting sticks, safari hats, pith helmets... and similar essentials for the sporting life.

Pith helmets. Well, Nanna does a nice line at \$125. "They are handmade in England and perfectly express the timeless look for which Abercrombie and Fitch is famous," he says.

"People want to wear safari outfits in the city now, not just in the country. I see sportsmen wearing these outfits in the club this club, not mine. I hasten to say, and photographers wearing them in the street. You don't have to go on a true safari to wear a full safari outfit."

The big line at the moment though is a gravity guiding system at \$780. This machine allows

the user to hang upside down. "Simply it's a yoga position to use gravity on the organs the other way round to relieve stress and strain, improve posture, and help eliminate backache."

Set up in 1982 when pith helmets were all the rage Abercrombie and Fitch collapsed in 1976 and only re-opened when Oshman, a Houston concern, bought the name. Since then it has sought to attract and exclusivity without losing its exclusiveness.

Nanna explains "Abercrombie is no longer an exclusive men's club. We are catering for the top 25 per cent of the market place and no longer for the top 5 per cent."

To this end the company will provide the needy sportsman with a domino set with "club size" dominoes at \$50, puff billiards for \$295, a Cape Cod telescope at \$1,350—presumably for the transatlantic sailor, a doghead cane priced modestly at \$25.

Star turn

Surprising the different views you can get through a telescope. Last week, Sussex University's science policy research unit sent newspapers an embargoed press release titled: "Britain's biggest telescope—a failure."

The dons alleged that the Isaac Newton telescope of the Royal Greenwich Observatory—formerly at Herstmonceux in Sussex but lately moved to the Canary Islands where the skies are clearer—has a "startlingly" poor record of scientific research.

The unit's researchers, it said, had found a "dramatically" lower level of productivity from the instrument than from foreign counterparts. It was a "third rate" research effort, "ill-starred" from the outset. It accused the Science and Engineering Research Council of suppressing public discussion

on the matter. But someone must have taken another look. The press release has now been withdrawn and another less likely to make a front page of the papers, sent out.

For "failure," it substitutes the rhetorical "how well has it performed?" For "startlingly poor record," it suggests instead a "rather poor record," and what was "dismal" is now merely "undistinguished."

No longer is the telescope "ill-starred"—just "problematic." And gone altogether is the suggestion that someone has been keeping the matter in the dark.

Paddle power

Flight Lieutenant Jerry Rawlings, who ousted Ghana's civilian government for the second time in his career at the end of 1981, is taking no chances about security.

Military manoeuvres are under way this week to ensure that the nation's armed forces will be up to scratch should the frequently forecast invasion of his country by hostile mercenary forces take place. Ghana radio reports that the civilians leading a band as a sort of latter-day Home Guard include "militant canoe fishermen" to assist with amphibious troop landings.

Africa bands are recalling General Mobutu's enlistment of pygmies bearing bows and arrows when Zaire's Shaba province was invaded by rebels in 1978.

Man of account

A statistician is... someone who can figure his way from an unwarranted assumption to a foregone conclusion.

Observer



A green earth or a dry desert?

There may still be time to choose.

The World is destroying its tropical rainforests. Half the forests continues to be lost for ever over the earth's greatest treasure house of plants and animals, perhaps our most valuable natural resource for the future. In the next 25 years the vast forests of Malaysia and Indonesia could be gone forever, leaving erosion to turn a green paradise into a barren wasteland.

It's happening partly because the local people depend upon the forests for their immediate needs for survival, partly because of demands in the developed world for tropical timbers.

In 1980 the WWF and other authorities published a plan for developing resources without destroying them. We need your help to ensure that it is put into action. Write to WWF for more information. It could be the most important letter you ever write.

World Wildlife Fund - UK, Panda House, 11-13 Bedford Rd., Goshalms, Surrey GU1 1QU.

FOR WORLD CONSERVATION

Advertisement prepared by Gentry & Allen

ECONOMIC VIEWPOINT

The TUC case on unemployment

By Samuel Brittan

AN INDICATION of the low level to which economic debate has sunk in this country is the silence which greeted the TUC Economic Review for 1982, published at the beginning of this month.

Very important is the robust job done by the TUC in refuting certain "lump of labour" fallacies, eg that new technology must mean unemployment or that "immigration" and "women going out to work" are to blame. On these issues it displays more economic common sense than can be heard in the "pessimism over the brandy" talk so often in evidence in the business and financial communities.

Most relevant of all for long term policy is the TUC's attempt to refute the view that the upward trend in unemployment is due to workers pricing themselves out of jobs—or not being allowed to price themselves into them.

This was at one time a major government theme. Since the "Falklands factor" arrived and the subsequent censoring of all argument, the emphasis has shifted to the so-called "resolute" approach, to "Buy British" campaigns and so on.

The "pricing out of work" approach to unemployment has greater potential validity than most of the Government's other claims which receive more emphasis. It may help to explain the long-term unemployment rise in several different countries, especially in Europe.

One TUC argument against "pricing out of work" is a simple statistical point: that the proportion of domestic income deriving from employment has not increased over the past two decades. The figures supporting the TUC case are shown in the first row of the first table. It is a reflection of the ritual treatment of data and documentation that these figures caused no great stirrings among the Government, employers' organisations or even TUC leaders themselves.

Indeed the TUC could have made its debating case even stronger by deducting employers' National Insurance contributions, without which wages would have fallen by about 5 per cent a proportion of domestic income. It says something in favour of the TUC presentation that the authors faced the fact that these are an employment cost, just like

SHARE OF PAY IN NATIONAL INCOME					
	1963-67	1967-72	1972-75	1975-81	1981
Including N. Sea oil					
Income from employment as % of total domestic income	68	67	66	66	67½
Income from employment as % of national income	74	75	77½	79½	81
Excluding N. Sea oil					
Income from employment as % of total domestic income	68	67	66	66	71
Income from employment as % of national income	74	75	77½	82	87

Source: CSO

wages, and resisted the temptation.

The second row shows the figures that the CBI usually cites to make the opposite point and demonstrates a rise in the share of employment costs. The difference is that in the first row the figures are a proportion of gross domestic income (equivalent to gross domestic product) and the ones in the second are a proportion of national income (equivalent to net domestic product). The biggest difference between the gross and the net is that the latter deduct an allowance for "capital consumption" which has been showing a strong trend rise. Capital consumption is the rate at which the nation's stock of capital equipment is estimated to wear out.

In principle the net measure is surely right; for if capital consumption is ignored and treated as part of profit, business capital will run down. The main argument on the side of the gross measure is simply the extreme difficulty of measuring capital consumption—and therefore national income.

come—with even approximate accuracy.

North Sea oil has an important effect on the trends. In the 1960s income from employment accounted for 75 per cent of the national income, and trading profits and rents of industrial and commercial companies accounted for nearly 13 per cent. In 1981 the proportions were 81 and 10 per cent respectively. But of that 10 per cent about half was accounted for by North Sea profits. If these are excluded the profit share falls to about 5 per cent and the employment costs rises proportionately to 86 or 87 per cent as shown in the last row of the table.

Of course pay and profit shares are only suggestive, and not conclusive evidence of movements to and away from market-clearing pay rates.

Moreover, once capacity has been adjusted to a particular pattern of excess real wages, it is possible that a stable long-run relation between profits and wages re-emerges, but a pool of unemployed people

remain who cannot find work at prevailing pay levels.

The TUC's other argument against the "pricing out" doctrine is theoretical rather than statistical. This is that although wage cuts reduce costs they also reduce demand because "they reduce the ability of workers to buy goods and services." Therefore "firms will have no incentive to produce more by taking on extra workers."

This argument is as old as the hills, but it is still very rarely met in public debate and it is time it was discussed instead of being ignored. Flouting opinion poll data is no substitute for rational argument.

In fact the TUC view that wage cuts or lower wage increases may fail to stimulate employment can be true in the short run, unless the Government chooses to make it otherwise.

Why "can be true" rather than "is true"? This is because the economists whom I call "technical monetarists" put a great deal of weight on

the effect of a lower level of pay and prices in boosting the real value of financial assets: everything from cash in the bank or pocket to holdings of fixed interest securities. Spending by both consumers and business is sensitive to increases in real wealth as well as take-home pay. Therefore it is supposed, "real demand" will increase if inflation comes down more quickly.

The "real balance" effect undoubtedly exists. But we really cannot be sure that it will be large enough—or will not be offset by other influences in a deflationary environment. The economic policy of great nations should not, and does not need to, depend on highly uncertain arguments among model-builders about its size and speed of action.

There is an alternative framework which avoids the dangers both of the worst kind of "reflation" and of allowing depression to persist unnecessarily. That is for governments to use their endeavours to keep total spending (or Nominal GNP or GDP on a stable upward path, designed to deliver a reasonable recovery of output and employment, provided that pay and prices do not begin to escalate again.

The lower table shows what is involved on an international basis. In the main industrial countries, monetary demand measured by Nominal GNP, has been rising by about 10 per cent per annum in the dozen years up to and including 1981. There have been a number of shocks in that period which have tended to boost prices; and governments—with much more heartache than the smooth

NOMINAL GDP GROWTH IN INDUSTRIAL WORLD

(Annual percentage growth)

	1960 to 1979			1980			1981			1982†			1983‡			1984 1st half‡		
	GNP	Prices	Out-	GNP	Prices	Out-	GNP	Prices	Out-	GNP	Prices	Out-	GNP	Prices	Out-	GNP	Prices	Out-
U.S.	9½	6½	3	9	9½	3	11½	9½	2	12	9½	2	12	9½	2	12	9½	2
Japan	13½	7½	5½	7½	3	4	6	3	3	4	2	2½	6½	3½	3½	8½	4	4
Germany	9	5½	3½	7	5	2	4	4	0	3	4	1	3	3½	0	5	3	2
UK	15	12½	2	17	19	-2	10	12	-2	8	8½	½	7	6	1	6	4½	1½
Total of main seven* OECD countries...	11	7½	3½	10	9	1	10	9½	1½	6½	7	-½	8	6	2	9	6	3

* Above four plus France, Italy and Canada. † Estimate. ‡ Forecast.

NE Exception of rounding and additions of percentages GNP growth is only approximately equal to price plus output change.

Source: OECD

Lombard

A gamble on inflation

By Clive Wolman

IN 1982, pension fund managers achieved an all-time record return on their conventional gilt portfolios—over 50 per cent on longer-dated stock, according to figures published by stockbrokers Phillips and Drew.

But the question remains as to whether the men who control over £80bn of people's lifetime savings should be gambling on future inflation rates by switching into gilts and other fixed interest stock. For the 1982 achievement has done little to disguise their abysmal long-term record of gilt dealings, going back to 1935.

In the last 20 years, the average real (inflation-adjusted) return on pension fund gilt holdings has been minus 2 per cent per year. Yet at the end of December conventional mortgage schemes available which offer a real rate of return of 4 per cent plus. Through lack of funds they are currently unable to grant some loans to more than a tiny proportion of their applicants.

Most fund managers say they are reluctant to increase their index-linked investments, believing that they must take a view of the economy. One example is a portfolio manager responsible for over £1bn of assets in 50 pension funds. His investment strategy assumes a low rate of inflation over the next decade as he believes that the economy moves in 50-year cycles and that Mrs Thatcher will win the next election.

For most of the 19th century, with prices falling, the courts insisted that trustees put all their money into consols. But today's judges take an increasingly sophisticated view of the dangers of inflation. The "prudent" businessman of the 1930s rarely allows himself to be locked into fixed prices or rents in his long-term contracts but insists that they are reviewed frequently.

A year ago, pension funds were unwilling to sell their gilts in advance of the long-awaited surge of gilt prices. Now they have made their profits, they should run down their stock and show their reluctance to gamble on forecasts about the distant future which the responsibilities of their office demands.

Letters to the Editor

Privatisation of Associated British Ports

From the SDP/Liberal Alliance Prospective Parliamentary Candidate for Gravesend

Sir—The point of privatising should be to increase competition and consumer choice. Will this occur when the 19 ports constituting the Associated British Ports (ABP), formerly the British Transport Docks Board, are sold off to investors? The heavy over-subscription of shares indicates that all the 49 per cent shares will be taken up at a knock down price. It looks like a repeat of American International where the unseemly rush of shares on the day, led to adverse publicity.

In any event, why sell off a large slice of a nationalised industry which has no monopoly and which has been in competition with other ports in the country. The British Transport Docks Board (now ABP) is Britain's largest port authority; it handles about 1 of the United Kingdom seaborne trade. It is in the black over the past two decades with the exception of the years 1963, 1970

and 1981 while many other ports in the country outside ABP (London and Liverpool for example) have lost millions and have had huge sums pumped into them by governments of the day. BTDB has been an example of nationalisation which has succeeded, partly because of the competitive element with other ports and partly because of its efficient management.

Privatisation will not increase competition and consumer choice since such are in existence already. Why then sell off a national asset at a ridiculously low price after the cancellation, by the Government, of an £81m loan? The official price of the shares is about £22m and must be looked upon as a distressed price. When the Government put a £45m price tag on ABP many analysts in the City were surprised, having expected a figure of perhaps twice that amount. The over-subscription for shares by 25-30 times shows that the Government is again selling the nation short in its privatisation policies. If the

shares open with a premium of around 20p (as estimated) the successful applicants in the issue will have an instant profit. If this occurs it must rank as something of a scandal in that valuable public transport assets will have been sold off at a bargain basement price.

While there was no case in the first instance for selling off any of ABP, at least it could and should have been sold at a proper market price. The result is a switch from the public to the private sector (with profits only to those who can afford to buy) which was unnecessary in view of the already public/private ratio regarding British ports as a whole, and the success of the nationalised ports over the years. ABP belonged to all of the citizens of the country so that, once again, a relatively small number of persons with money will gain over the many millions who can only keep their heads above water let alone buy shares. D. Davies, Albert Buildings, 43, Queen Victoria Street, EC4.

Channel 4 and the levy

From Mr F. Brown

Sir—The Treasury is losing income due to Channel 4 states Mr R. J. Pearce (February 11). Change it, be adds, to ITV2. There is little difference for the Treasury and its unpredictable levy, in the two options. In exchange for their "subscription" to Channel 4 fixed costs, the contractors keep the extra advertising income. Profit or loss on this transaction leads to less or more levy. As an ITV2, the cost of programmes made or purchased would, similarly, have been offset against advertising (with more or less levy).

Parliament decided that viewers (the Treasury's big income sector) would be better served by a new independent channel. So, while Mr Pearce appears to be hostile to Channel 4, at least the Treasury can feel that a temporary shortfall (because the advertisers are fighting the actors) is petty cash contributed towards more varied home entertainment given to its millions of willing and regular annual subscribers. Frank Brown, 20 Bennerley Road, SW11.

Campaign for Labour Party Democracy

From Mr N. Costello

Sir—Your Political Correspondent (February 11) refers to the Campaign for Labour Party Democracy (CLPD) as "now almost defunct" in an article about the Labour Solidarity Campaign.

The newspapers were caught napping in 1980-81 by the success of CLPD in organising the achievement of the electoral college for the Labour leadership and mandatory reselection of Labour MPs; it seems that the same will happen next time too.

In fact we have more members than ever, and our annual general meeting last month was attended by over 500. At the last Labour Party conference of our model resolutions were on the agenda, compared to less than five by Labour Solidarity.

On different occasions you have described the leadership of CLPD as "Benite" and as the "stop-Benn faction". In reality our extensive support in the Labour Party has nothing to do with personalities, but is based on the widespread, natural and enduring desire that our leaders should abide by party policy.

Nicholas Costello, 13, Rodley Road, Tottenham, N17

Deep discounted stock

From Mr A. Ratcliffe

I am interested to read Mr W. H. G. Sadler's letter (February 8) regarding the Inland Revenue's consultative document on the tax treatment of deep-discounted stock. He is absolutely right to question the attraction for investors which these stocks will offer if some of the proposals made by the Revenue are enacted. In this connection it makes an interesting alternative suggestion. It is not clear, however, whether there is symmetry in the suggestion as it appears that relief will accrue to the borrower throughout the life of the stock while an investor will only be taxed on disposal.

I would therefore propose a further alternative which, while not being symmetrical, levies tax on the investor no later than relief is granted to the borrower (possibly a more attractive option for the Revenue). I envisage a situation where the lender is only taxed on disposal, albeit at income tax rates, with the borrower receiving a revenue deduction upon redemption. In order, however, to alleviate the incidence of the tax charge and to improve the possibility of securing full tax relief for the borrower in the year of redemption, I would propose a facility to spread the income or the relief over the previous, say, three years (i.e.

a form of top-slicing relief which has been incorporated in previous tax legislation).

There are two other aspects of this consultative document which I believe also require urgent consideration. In the Press release on this subject on June 25 1982 the Revenue indicated that it considered relief should be available for the discount on deep-discounted stock because, as with interest paid, it represented "the reward for the use of money." This is a very interesting statement, as it brings into question why there should be any form of payment which represents the cost of using money, which does not qualify for tax relief in the borrower's hands. The consultative document refers to deep discounted stock being defined as possibly 1 per cent, or possibly 3 per cent discount, over the life of the stock. There does not appear to be any clear thinking of what is appropriate; nor, I would suggest, is there any magic about either figure, or any other. If, however, a stock is issued which does not qualify as "deep," and that issue is made by an investment company (rather than a trading company) which a majority of parent companies are, there does not appear to be any way in which tax relief could be obtained by the borrower. An identical problem already exists in relation to obtaining tax relief on discounts on accept-

ance credits issued by investment companies.

My point is why should there be discrimination? They are all forms of borrowing and they are all "reward for the use of money." This is a slightly broader issue than just deep discounted stock, but the principle is the same, and I believe the opportunity which this consultative document offers should be taken to examine the wider issues.

A. G. Ratcliffe, Deloitte Haskins & Sells, PO Box 207, 128 Queen Victoria Street, EC4.

Lone rangers on their bikes

From the Prospective Labour and Co-operative Candidate for Nottingham East

Sir—Man in the News (February 12) tells us that "Peter Grant took off to a party one evening. It seemed to him strange at the time, but he soon found the Queen's uncle at his side offering him a job in merchant banking."

Perhaps that's where today's legion of unemployed graduates are going to end up. Although they have learned to get on their bikes, they are riding them to the wrong parties.

Martyn Sloman, 19 Kingsdown Road, N19.

Inner city development schemes sometimes produce more noise than results.

Not so with GEAR—Glasgow Eastern Area Renewal—which is quietly revolutionising its area as a place to live, to work in, and to make profits.

Already, GEAR has injected real vitality and confidence into Glasgow's East End, simply by making things happen.

For instance: Over half its residents have improved homes, and are now living in new or fully modernised houses, some recently built by private developers.

Community facilities have been reinforced, and social services have found new strengths.

Established businesses, incoming companies and new ventures are investing and creating a new era of commercial competition.

In short, GEAR is a unique leader in urban regeneration and now brings to the market

a wealth of opportunities, backed by an enviable track record and a demonstration of success.

To locate in, invest in, develop in, or get your business into GEAR, contact the GEAR team, Scottish Development Agency, 120 Bothwell Street, Glasgow G2 7JP. Tel: 041-248 2700. Telex 777600.

Rebirth of a community.

GEAR



FINANCIAL TIMES

Thursday February 17 1983



WAGE FIGURE FOR 1982 POSES THREAT TO ANTI-INFLATION STRATEGY

UK real earnings rise by 7.9%

By Max Wilkinson, Economics Correspondent

THE REAL earnings of those in work in the UK rose sharply in 1982, according to the latest figures issued yesterday by the Department of Employment.

In the 12 months to December, average earnings rose by 7.9 per cent, which was 3 percentage points faster than the rise in retail prices during the period.

The department estimates that after allowing for special factors the underlying rate of increase in earnings in the 12 months to December was about 8.4 per cent. The Tax and Price index (which measures the gross earnings needed to keep pace with the rise of prices and taxes) went up by 5.8 per cent in the period.

This suggests that the real take-home pay of those in work increased by around 2 to 2½ per cent last year.

This increase may have induced a feeling of prosperity among those in work, particularly towards the end of the year, when British con-

sumer spending rose quite markedly.

For the year as a whole, consumers spent only 1 per cent more than in 1981 in real terms. This relatively small rise in total consumption reflects the fact that unemployment continued to increase throughout the year. Even Britain's nearly 34m unemployed did relatively well at the end of the year. Benefits rose by 11 per cent in November when the annual inflation rate was running at 6.3 per cent.

The underlying annual rate of pay increases fell steadily throughout the year, but the fall was considerably slower than that of retail prices. In January 1982, when the annual inflation rate was 12 per cent, the annual rate of increase of earnings had been only 11 per cent.

The change - round from a two-year period in which real earnings were falling to the substantial rise at the end of last year was quite rapid. It may be welcome to most wage-earners, but it poses a poten-

tial threat to the Thatcher Government's anti-inflation strategy. The faster than expected fall in the inflation rate last year reflected the weakness of world commodity prices and the strength of sterling for most of the year.

However, the prospect of a further fall in the inflation rate in 1983 will hinge more critically on a falling trend in wage settlements.

It is estimated that only about 8 per cent of workers have received pay increases in the current wage round. Preliminary evidence from the Confederation of British Industry's pay data bank yesterday suggested that the average settlement in manufacturing industry is about 6 per cent.

This figure is lower than the Department of Employment's partly because it covers a different period and partly because it does not include overtime and other payments. The Department estimates that the annual increase in basic weekly pay rates in the 12 months to January was 3.1 per cent. This is sub-

stantially lower than the 8.1 per cent recorded the previous month and 7.4 per cent in June.

Because of the sluggish state of industrial output last year, the annual rate of increase of wages and salaries per unit of output tended to rise from a very low figure of 3.4 per cent in the first three months. In the past three months the average annual rate of increase was 6.7 per cent.

However, officials are taking some encouragement from the fact that December's increase in industrial output helped to spread wage costs more thinly. In that month the increase of wages and salaries per unit of output was 5.9 per cent higher than 12 months earlier.

To the third quarter, the latest for which international comparisons are available, the figure for the UK was 5.8 per cent compared with 9 per cent for the U.S., 22 per cent for France, and 4 per cent for Japan and West Germany.

Economic viewpoint, Page 11

Venezuela may impose exchange controls

By Hugh O'Shaughnessy and Peter Montegon in London

DR ARTURO SOSA, Venezuela's Minister of Finance, hinted strongly in London last night that his Government would soon impose foreign exchange controls in an effort to stop capital outflows, which have been estimated at up to \$100m a day.

"We are prepared to take any and all measures needed to cope with the situation," he said in an interview. Latest figures from Venezuela's central bank show that the country's foreign exchange reserves fell by nearly \$500m to \$8,039bn in the week ended February 4. Dr Sosa said they have since dipped below \$9bn.

He ruled out a devaluation, which he said would only push up prices of food, which Venezuela imports without boosting exports - 93 per cent of which are accounted for by oil which is priced in U.S. dollars. Dr Sosa is in Europe for talks with bankers on plans to refinance \$6.6bn of short-term debt falling due this year. Concern has grown over Venezuela's debt and this refinancing is urgently needed to prevent further sharp falls in reserves which would result if this debt had to be repaid.

Efforts by his predecessor, Sr Luis Ugueto, to organise such a refinancing failed largely because of poor coordination with Venezuela, the accumulation of debt service arrears by key Venezuelan agencies and the adverse climate for lending to Latin America.

Dr Sosa said he is working out a more formal approach under which the republic itself would take over the debts of all public-sector borrowing agencies. A group of 10 to 12 leading banks is being asked to make up an advisory committee.

The committee will hold a first meeting in New York next week after Dr Sosa has visited more banks in Europe and Japan. Following that a full meeting of all creditor banks is expected in New York around March 4.

Dr Sosa said he hoped it would be possible to refinance the short-term debt without resorting to an International Monetary Fund stabilisation programme. Venezuela can draw around \$1.5bn from the IMF without conditions. Its total public sector debt is some \$25bn with about a further \$4bn owed by the private sector.

Harvester operating loss \$165m

By Richard Lambert in New York

INTERNATIONAL Harvester, the struggling U.S. farm equipment and truck manufacturer, reported first-quarter operating losses of \$165.5m, broadly in line with recent indications. The group still expected that 1983 would be a flat period for agricultural equipment sales, and that there would be no significant improvement in truck sales until later in the year.

Mr Donald Lennox, Harvester's president and chief executive, said the group believed that with its present cash position its requirements for the balance of 1983 could be met from continuing operations and other pending actions for the sale of non-core assets.

The net loss in the latest three months was reduced to \$111.3m by an extraordinary gain of \$54.1m following the acceptance of an exchange offer by certain debenture holders. A year earlier, Harvester's continuing operations lost \$275.8m in the quarter. Losses of \$11.8m on discontinued operations took the net loss up to \$287.6m.

Eaton plunges to deficit of \$189m

By Paul Betts in New York

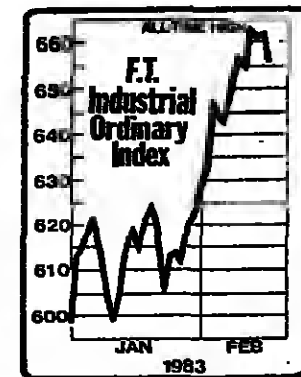
EATON Corporation, the U.S. maker of Yale lift trucks and other components and capital goods, yesterday reported a net loss of \$189.6m for 1982 compared with a profit of \$82.4m the year before.

In the final quarter of last year Eaton, which recently announced a major reorganisation including plant closures, had a net loss of \$227.4m compared with a net profit of \$20.3m in the final quarter of 1981.

Eaton's loss from continuing operations in the final quarter of last year was \$127.1m compared with net earnings of \$27.8m from continuing operations in the final quarter of 1981. In the final 1982 quarter, Eaton had a loss of \$100.4m from discontinued operations while the loss it reported from continuing operations included a \$181.4m provision for plant closures before taxes.

THE LEX COLUMN

Fed drifts away from base



strictly limited. The stock closed at 138p yesterday, which compares with the 112p offer price. But the market has moved up by about 5 per cent since the issue was priced, so the effective discount is 15 per cent. This may have been a little more than necessary to rouse the market's enthusiasm, although the extent to which the taxpayer is out of pocket has been narrowed by the interest income on cashed cheques - possibly amounting to 6p a share.

The flotation underlines once again how imperfect is the level of over-subscription - in this case 35 times - as a measure of underlying demand. In current excitement markets, the prospect of any kind of premium is enough to attract the attention of a sophisticated straggling community.

Perhaps the most important lesson to emerge is the extent to which the City of London's sub-underwriting methods have been strained by the British issue. Not so long ago, only a few institutions would run the risk of valuing an invitation to become a sub-underwriter. Players who wanted to pick and choose their fixtures might find themselves crossed off the list entirely. But for ABP, the level of polite rejections was apparently in the region of 30 per cent.

Magnet & Southern

Magnet and Southern has only the faintest of arguments for presenting shareholders with a £29m rights issue in its present robust shape. The group has sailed through the three-year recession funding capital expenditure of £28m with a virtually ungarbled balance sheet. Although sales and profits have remained virtually

static for three years, working capital has been kept under control, and, even this year, when sales are up by around 14 per cent, financing inventories has presented no problem. The group was expected to be in a net cash position at its March year-end.

But companies that hardly need money are usually in the best position to raise it, and the market responded to the call yesterday with only the merest pressure on the share price - down 2p at 188p. This reaction partly reflects the lightness of the issue earnings dilution should amount to less than 1p if the group meets the profit expectations of around £25m next year. But shareholders also appear convinced that there are no dangerously grandiose acquisition plans round the corner.

So the market is taking Magnet's arguments for the need to gear up for a revival of demand very much on trust. Having used the recession to develop its product range and win market share, the group will now have to find substantial new working capital requirements if sales continue to grow at the present rate. A poor budget could, of course, play havoc with these growth expectations - but that is what risk capital is all about.

Marsh & McLennan

The decision by Marsh and McLennan, the U.S. insurance broking giant, to sell off its insurance underwriting activities is financially and politically an astute move. Since Marsh acquired the Bowring insurance group in 1980 for \$586m it has been steadily disposing of non-insurance assets. The credit finance arm, the merchant bank, and the shipping interests have gone in a series of sales which have brought in over £113m.

The latest auction could raise £50m or more, depending on the interest shown, making a further dent in the purchase price for the Bowring empire. Furthermore, in deciding to sell off its insurance companies and underwriting activities, Marsh has anticipated that the relationship of brokers with their own insurance arms is likely to come under further scrutiny by the British authorities and at Lloyd's. Marsh has decided that in general the conflict of interest is unacceptable, and the disposal may set a trend for other brokers to follow.

Peres in talks on 'national unity'

By David Lennon in Tel Aviv

MR SHIMON PERES, leader of the Israeli opposition Labour Party, has been holding discussions with members of the ruling coalition on the possibility of establishing a national unity government.

The impetus for these talks was the political turmoil and civil disturbances which followed the publication of the findings of the commission of inquiry into the Beirut massacre.

Many members of the Labour Party said it would be almost impossible for them to join a coalition with the Likud led by Mr Menachem Begin because of the broad political differences between the two parties.

But other parliamentarians called for the establishment of a broad-based coalition, during speeches made in the Knesset yesterday, where three motions of no confidence in the Government were debated.

The talks about creating a national unity government have been spurred by the growing rifts in society which resulted in a fatal hand grenade attack on an anti-government rally last week. Some politicians believe that the best way to cool tempers and reduce intolerance is for all the parties to join together in a national unity government thus setting an example for the people.

However, it is generally believed unlikely that this can be achieved, even though Mr Peres has reportedly been offered the post of deputy premier in such a coalition. Tabling the Labour Party's no confidence motion Mr Yitzhak Rabin, the former Prime Minister, cited the inquiry commission report, about defective functioning of the Government and bad relations among the Ministers.

Nothing that the commission studied only the events during a three day period, the former premier asked. "How can we be sure that the same sorry situation did not exist at other times in the Lebanese war?"

Mr Rabin also asked what kind of logic was involved in ordering the Israeli army into West Beirut with the declared aim of preventing Christian vengeance for the murder of the Lebanese leader, President-elect Bashir Gemayel, and then allow the Christian militia into the Sabra and Chatila refugee camps.

The two other no confidence motions were tabled by the centrist Shinui Party, and the Communist Party.

The Government was expected to defeat all three motions easily.

Bonn and steelmakers in battle of nerves over Ruhr group plan

By James Buchan in Bonn

BOON Government Ministers and major steelmakers held talks yesterday in what has developed into a battle of nerves over a radical plan to reshape the suffering steel industry.

Taking part in the talks with the economics, finance and labour ministers were the chief executives of Hoesch, Klöckner-Werke and Salzgitter, a trio that the Government wants to see drawn into a future "Ruhr group" as envisaged in a plan put forward by an independent commission of experts last month.

The financial difficulties of Klöckner-Werke, always the outsider in the German steel industry, evidently dominated the talks, though. So far only Hoesch and Salzgitter have begun talks towards a possible merger as one aspect of the plan which sees the "Ruhr group" balancing a "Rhine group" consisting of Thyssen and Krupp.

At the beginning of the month

Klöckner-Werke, whose main operation is in Bremen but has works scattered over West Germany, announced that it had asked for immediate official aid of up to DM 350m (\$145.4m). The concern said that after talks with its banks there was "confidence" that Klöckner could take part in co-operation talks.

Although Klöckner is not a member of the producers' club - the Iron and Steel Federation in Düsseldorf - other producers believe that Klöckner has been hardest hit by the crisis.

The concern is certainly not losing less than DM 100 per tonne of rolled steel, in line with the club producers, whose losses have been DM 150m since the start of October, but it also faces a heavy interest bill on its new steel operation in Bremen, which is working at miserably low capacity.

Hoesch and Salzgitter, who have

misgivings about the geographical disadvantages of the far-flung Ruhr group against its concentrated rival on the Rhine, are showing no enthusiasm for merging with Klöckner in its present state.

So far the Bonn Government has promised up to half of the DM 2bn to DM 3bn proposed by the experts as immediate official aid to get their restructuring plan off the ground.

Boon says the other half must be provided by the regional governments, but the four regions in which Klöckner has operations have rejected the idea. Count Otto Lambdoff, the Bonn economics Minister, yesterday held talks with the four regional economics ministers concerned.

The Bonn Government yesterday insisted that the companies first agree before money could be discussed. However, it is felt in the Ruhr that the DM 2bn to DM 3bn figure is ludicrously low.

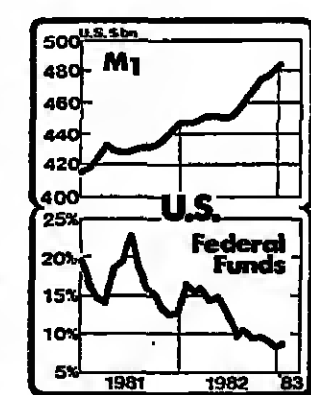
Volcker stresses inflation curbs

Continued from Page 1

In both his prepared testimony and in his responses to Senators' questions, Mr Volcker appeared, however, to put less stress on the observance of these money and credit targets than on the Fed's ultimate aim. This, he said, was to ensure that the present "incipient recovery" develops into a prolonged period of non-inflationary growth.

Even without further declines in interest rates, Mr Volcker predicted that he was reasonably confident that a significant recovery would get underway. The last cut in the Fed's discount rate - which was widely interpreted as an attempt by the Fed to lead interest rates downwards - had proved counter-productive. The best hope for lower interest rates lay in the markets' gradual recognition that inflation will remain under control.

He said the Fed's forecast of inflation in 1983, as measured by the GNP deflator, was 4 to 5 per cent, somewhat lower than the 5.6 per cent prediction published this



month by the Reagan Administration.

He stressed that the Fed took great encouragement from the decline in wage settlements and the increases in productivity which were evident in the labour market. He predicted that these would continue and would overwhelm the inflationary effects of rising commod-

ity prices and of the dollar exchange rate, which he said could not continue to appreciate in the way it did last year.

When markets came to recognise these improvements in inflationary prospects, he predicted that interest rates would decline naturally, unless inflationary expectations were aggravated by failure in Congress to reduce future budget deficits.

Mr Volcker's comments were broadly welcomed on Wall Street, where bond prices jumped while short-term interest rates and the dollar fell.

In the credit markets trading was busy in the wake of the Fed chairman's remarks.

Mr Volcker's carefully-balanced message on inflation, interest rates and monetary policy was mostly described as "constructive" and "positive." There was particular relief that the new money supply targets gave no indication of an impending tightening in Fed credit policy.

Paris to reorganise banking system

Continued from Page 1

Continued banking groups from an unwieldy 39 to a more manageable 20 or so.

Most of the banks being absorbed into larger groups have balance sheets of around FF 1bn (\$147m) or less.

The main regroupings are:

- Banque de l'Union Européenne, formerly owned by the Empain-Schneider group, is to be absorbed by the CIC group;
- Banque Worms, the fourth larg-

est French investment bank, which has reported a sharp fall in profits for last year, is to enter into some form of grouping with two other smaller institutions, Banque Vernes and Banque Parisienne de Crédit.

Mr Delors would like the grouping to evolve into a bank specially constructed to aid small and medium-sized industries.

● The former Rothschild bank, now called Européenne de Banque, is to be absorbed into another, so

far undefined, larger group. A first step has already been taken with the buying of the former Rothschild industrial participations by the Compagnie Financière de Suez holding group, which is also in future to take over full responsibility for its Banque Indosuez banking arm.

● Among other smaller banks, Banque Tarnaud is to be absorbed by Credit du Nord.

Hyster production cuts

Continued from Page 1

misadventures. At Craigavon in Northern Ireland, Hyster's most modern plant, the 240 workers will produce high volume smaller lift trucks - the kind the company fears will be under attack from the Japanese.

Hyster justifies the increased employment figure by its estimate of the company's increased share of the market and the eventual bottoming out of the recession. It estimates 4.5 to 5 per cent growth in the forklift truck market over the next decade.

The company had a worldwide turnover of \$538m in 1981 and a \$35m profit after tax. It forecasts marginal profitability this year.

ernment backing worth an estimated £12m to keep open the plant, which is in an area of high unemployment, is designed to create 1,000 extra jobs by 1987.

Hyster justifies the increased employment figure by its estimate of the company's increased share of the market and the eventual bottoming out of the recession. It estimates 4.5 to 5 per cent growth in the forklift truck market over the next decade.

The company had a worldwide turnover of \$538m in 1981 and a \$35m profit after tax. It forecasts marginal profitability this year.

World Weather

Amster	8	48	10	0	London	8	48	10	0	Madrid	8	48	10	0	Sevilla	8	48	10	0	Valencia	8	48	10	0
Algeria	5	11	52	1	Faro	5	11	52	1	Moscow	5	11	52	1	St. Petersburg	5	11	52	1	Toronto	5	11	52	1
Alexandria	8	11	52	1	Faro	8	11	52	1	Moscow	8	11	52	1	St. Petersburg	8	11	52	1	Toronto	8	11	52	1
Amman	5	11	52	1	Faro	5	11	52	1	Moscow	5	11	52	1	St. Petersburg	5	11	52	1	Toronto	5	11	52	1
Aden	14	57	1	0	Faro	14	57	1	0	Moscow	14	57	1	0	St. Petersburg	14	57	1	0	Toronto	14	57	1	0
Algeria	5	21	70	5	Faro	5	21	70	5	Moscow	5	21	70	5	St. Petersburg	5	21	70	5	Toronto	5	21	70	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5	34	53	5	St. Petersburg	5	34	53	5	Toronto	5	34	53	5
Amman	5	34	53	5	Cherbourg	5	34	53	5	Moscow	5													

Travis & Arnold
Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52424.

SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday February 17 1983

The world's most
expensive
twist suiting cloth

Reid & Taylor
SCOTLAND

Warner's earnings dip 56% in fourth quarter

BY PAUL BETTS IN NEW YORK

WARNER Communications, the leading U.S. entertainment conglomerate, yesterday reported a steep 56.5 per cent decline in fourth-quarter earnings. Its chairman, Mr. Steven Ross, warned shareholders that earnings this year would be lower than the \$237.5m the company made in 1982.

Since Warner announced that sales from its Atari video game subsidiary were not living up to expectations last December, its stock, for long a darling of Wall Street, has come under heavy pressure.

In the final quarter of last year the operating income from Warner's Consumer Electronics Division collapsed to \$1.2m compared with \$138.5m in the final quarter of 1981.

Mr. Ross, in a letter to shareholders, said yesterday this decline was due to substantially lower profits from video game cartridges, losses in Atari's coin-operated game division and pre-tax losses of \$35m from the disposition of the operations of the Knickerbocker toy company.

In the fourth quarter Warner

earned \$33m on revenues of \$1.12bn compared with earnings of \$75.8m on revenues of \$1.09bn in the corresponding period in 1981. Earnings for 1982 rose 14 per cent to \$257.8m on revenues of \$4bn from net income of \$228.5m on revenues of \$3.2bn in 1981.

Mr. Ross told shareholders that the dynamics of the home video game cartridge market had changed substantially during 1982 because of what he called "an intensity of competition never before encountered in this field."

Mr. Ross claimed Atari remained the industry leader by a substantial margin. But he said "the effects of the sharply increased competition in the fourth quarter were exacerbated by the fact that, in a business where hits have become very important, Atari's new cartridge releases were disappointing relative to expectations."

Mr. Ross said because of the short-term problems of the video game market place, Warner's earnings in the first half of this year would fall "far short" of the results

of the first six months of last year. "The first quarter should be the weakest of 1983, well below the fourth quarter of 1982."

But Mr. Ross said he expected sufficient improvement in the second half of this year to enable second-half profits to be higher than those for the second half of 1982. But he warned shareholders earnings next year would probably be lower than those for 1982.

While Warner's film business did well last year and the company has a strong schedule of new releases this year, Warner's cable television operations continued to lose money. These operations are part of Warner-Amex, the joint venture between Warner and American Express.

The company said the substantial cost associated with the development of new cable systems and the making of new cable programming services caused a loss in 1982. The cable subsidiary is now being managed by Mr. Drew Lewis, who became chairman this year after resigning as U.S. Transport Secretary.

Imetal in red after Le Nickel losses

By David Marsh in Paris

IMETAL, the French metals group, yesterday announced a large consolidated loss of more than FFr 650m (\$84.5m) for 1982, principally caused by losses of more than FFr 550m at Societe Le Nickel, the mining subsidiary.

The news came amid rumours on the Paris bourse that a Government-sponsored financial rescue package for the Le Nickel group will soon be completed. Imetal's loss for 1982 comes after profits of FFr 115m in 1981 and FFr 248m in 1980.

Quotations of Imetal shares were suspended on the bourse yesterday after a sharp rise to FFr 58.90 in recent days from about FFr 51. Dealing in the mining company's shares, part of the Imetal group, were also suspended. Quotations will be resumed today.

ERAP, the state-owned holding group which has a major shareholding in the Elf Aquitaine oil and chemicals company, is expected to become the dominant shareholder in Le Nickel under a wide-ranging capital restructuring programme.

This could provide the company with more than FFr 1bn in new funds. Elf Aquitaine and Imetal, which at present each own Le Nickel, will see their stakes reduced sharply.

Le Nickel's main banks, led by the Societe Generale, are also expected to decide a debt restructuring package to convert short-term loans into long-term.

Beatrice Foods restructuring leaves deficit

By Richard Lambert in New York

BEATRICE FOODS, the U.S. food manufacturer, yesterday announced a major shift in strategy to place an increased emphasis on marketing and internal growth, and less on acquisitions. The moves include a realignment along marketing lines of Beatrice's domestic profit centres, and special after-tax charges totalling nearly \$28m in the fourth quarter of the financial year ending this month.

As a result, the group expects to report a loss for the quarter. Overall earnings for the year, before these special charges, would be "reasonably close" to last year's, Beatrice added. Net income before special items in 1981-82 came to \$315.2m.

The group plans to move out of cyclical, capital intensive industrial operations and dispose of about 50 domestic and international companies, with sales of about \$800m and operating earnings of about \$35m in fiscal 1983.

Thomson aims at place in French fibre optics

BY OUR PARIS CORRESPONDENT

THOMSON-CSF, the French state-controlled electronics and communications company, yesterday said it would be the prime industrial beneficiary of the Government's plan to equip the country with an optical fibre network for cable television.

Mr. Jacques Darmon, Thomson's communications division director, told a press conference that the company expected a 30 to 50 per cent share of the FFr 4bn (\$586m) a year market in TV cables that would develop in the mid-1980s.

LTT, Thomson's specialist video-communications subsidiary, intends to "mobilise all its forces" to face up to the challenge of redressing France's international lag in TV cabling.

The company, which turns over FFr 1bn a year and received nearly half its orders from abroad last year, also hopes to sign co-

operation agreements with foreign companies in order to penetrate international markets, Mr. Darmon said.

Thomson in 1981 set up Societe Fibres Optiques Industries (FOI) in partnership with the also nationalised Saint Gobain group and Corning Glass of the U.S., to manufacture optical fibre cables in two French factories.

France's other main optical fibre manufacturer is the Compagnie Generale d'Electricite group.

The Government announced in November a plan to provide cable connections to 1.4m French households by 1985, with the technology centred around high-capacity fibre optics.

Mr. Jacques Imbert, the chairman of both LTT and FOI, said the programme covered only orders for connections until 1985. The actual

wiring of households - 100,000 in the first year, 300,000 in the second and 1m in the third - would not reach the target figure of 1.4m installations until two years later, in 1987.

He said the range of services offered by the new networks would be extended progressively as new technologies and facilities came on stream. TV programmes, both from satellites and traditional networks, would be supplemented later on by films, pre-recorded programmes and home surveillance systems.

The "much more elaborate" second stage - in about 15 or 20 years - would enable subscribers to order products and services, play video games and communicate using so-called video-phones.

Thomson-CSF is already involved in two French pilot cable TV schemes, using optical fibres.

Advance for HP in first quarter

By Louise Kahoe in San Francisco

HEWLETT-PACKARD, the U.S. electronics and computer manufacturer, has reported earnings of \$85m compared with \$73m for the first quarter to December 31. Sales were up from \$938m to \$1,055m.

Incoming orders for this quarter were \$1.13bn, up 7 per cent on orders for the first quarter of fiscal 1982.

Mr. John Young, Hewlett-Packard president, said that he sees no significant improvement in the business climate in the U.S. and in other countries where Hewlett-Packard does business. The company will continue cost and hiring control, he said.

More than half Hewlett-Packard sales are in computer products and this business saw a modest 5 per cent order increase in the first quarter over the previous year. This reflects a strong first quarter in 1982, the company said. HP expects an improvement in computer sales when its new products, including the HP 9000, get into full-scale production.

Hertie nearly halves deficit

By John Davies in Frankfurt

HERTIE, West Germany's third largest retail stores group, last year almost halved its operating losses despite a drop in sales.

Herr Bruno Lippmann, chairman of the managing board, said yesterday that, if exceptional items were included, group results would show a profit, but he gave no details.

Although this year would again be difficult for the German retail trade, Hertie expected at least to break even as a result of cost savings measures and end a six-year period of losses.

Opel earns DM 90m in year

BY STEWART FLEMING IN FRANKFURT

OPEL, the West German subsidiary of General Motors of the U.S. is to declare a net profit of DM 90m (\$37.4m) for 1982. But the bulk of the recovery in profit from the loss the company reported in 1981 of almost DM 800m can be traced back to the sale and leaseback of a paint shop in its factory near Frankfurt.

In disclosing preliminary figures yesterday, the company made no official reference to the sale and leaseback agreement with its U.S. parent company, even though the paint shop cost more than DM 500m

to build. Precisely how the sale and leaseback transaction will be accounted for is not expected to be disclosed until the company's full report and accounts are released later in the year, but it is understood that a substantial sum will be reported as extraordinary earnings stemming from the sale and leaseback agreement.

Leaving aside extraordinary profits, Opel appears to have made significant progress on reducing its losses. Sales revenues rose from DM 10bn to DM 12.6bn as the com-

pany increased production by 17.7 per cent to 881,094 units. In West Germany, Opel increased its market share from 18.2 per cent to 18.2 per cent despite the depressed market, and export sales rose by 24.5 per cent to 549,944 units.

The introduction of a succession of new models will have been one factor behind the improved sales performance but this also helped to damp down the earnings recovery because of the associated promotional costs.

Recession hits performance of IBH Holding

By Our Frankfurt Correspondent

IBH HOLDING, the West German construction equipment group, will declare a loss for its 1982 financial year reflecting the impact of recession, particularly on its U.S. operations, and heavy rationalisation costs.

But Herr Horst Dieter Esch, the company's chief executive, said yesterday the company expected to return to profitability in 1983 and that he already saw signs of an upturn in demand for the company's products in major markets such as West Germany, the UK and the U.S.

In its 1982 financial year, the company's sales rose 4.8 per cent to DM 2.5bn (\$1,030m) despite a 37.9 per cent fall in sales in North and South America to DM 550.3m.

The company undertook major re-organisation efforts

Copenhagen bank increases net earnings

By Hilary Barnes in Copenhagen

COPENHAGEN HANDELSBANK, increased net profits from Dkr 372m (\$43.7m) to Dkr 477m in 1982. The bank will pay an unchanged 15 per cent dividend, while the board plans to make a Dkr 105m share issue, priced at 103 per cent, later this year, the bank announced yesterday.

The improvement in the bank's result included a Dkr 503m increase in the value of the bank's security portfolio between year-end 1981 and 1982, a figure which is included in the profit and loss account.

Earnings before the portfolio adjustment increased from Dkr 150m to Dkr 160m in spite of an increase in depreciation and bad debt provisions from Dkr 471m to Dkr 525m. Operating profit before depreciation and provisions increased from Dkr 610m to Dkr 672m.

The bank's advances increased by 7.4 per cent to Dkr 18.2bn and deposits by 11.4 per cent to Dkr 27.4bn, with the balance sheet total increasing from Dkr 58.9bn to Dkr 54.8bn. Equity capital at the end of the year was Dkr 3.35bn and net profits as a return on average equity capital through the year was 15.1 per cent.

Jyske Bank, the Jutland bank which ranks sixth by size among the Danish commercial banks, reported an increase in net earnings from Dkr 50m to Dkr 184m (the 1981 figure was affected by a minus figure of Dkr 114m covering costs associated with the acquisition of the former Finansbanken). An unchanged 18 per cent dividend will be paid.

The adjustment of portfolio values added Dkr 314m to bank profits.

KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, ON THE ROLE OF THE R11

Renault drives towards profit

M PIERRE Tiberghien, who recently took over as head of Renault's automobile division, predicts the French group's car business will be profitable in 1983 after two loss-making years.

He was speaking as Renault took the wraps off the R11, a hatchback closely related to the R9, and which will compete in Europe with cars such as the Volkswagen Golf, Ford Escort, Opel Kadett/Vauxhall Astra Talbot Horizon and BL's forthcoming Maestro.

Renault spent about FFr 1bn (\$147m) on the R11 on top of the FFr 4bn for the R9 which was launched a year ago.

M Tiberghien says the R9 is being produced at the rate of 2,000 a day and therefore is fully living up to the group's expectations, particularly in the U.S. where a version called the Alliance is produced by Renault's 48.8 per cent-owned associate American Motors.

However, 1982 was a difficult year for Renault in France where it not only suffered from industrial disputes but was also for some time prevented by the Government's price freeze from putting up prices to meet extra costs. As a result, the company would remain in the red in 1982. The net loss in 1981 was FFr 675m.

But 1982 showed we could face difficulties on the production front and yet still stand up to the foreign competition in France," he added, referring to the fact that Renault's home market share in 1982 improved slightly to 39 per cent while the Peugeot-Citroen-Talbot group lost ground to imports.



Renault's 11TSE, a new contender in the lower-middle market

Renault earlier this month pumped another \$50m into American Motors (AMC) by way of subordinated debentures issued by the group's Swiss holding company.

M Tiberghien made clear that this method of financing was chosen so as to keep Renault's shareholding below 50 per cent. "We want AMC to remain a U.S. company."

The additional \$50m takes to \$400m the cash injected by Renault into AMC in the past three years - "much less than Volkswagen's investment in the U.S."

The new money will go towards the introduction of the new R11 to the U.S. market. Production will begin at Kenosha, Wisconsin, this summer alongside the Alliance.

AMC would concentrate its resources mainly on developing its four-wheel-drive vehicles, including the Jeeps.

Sales of the R9-Alliance in the U.S. had been better than expected so far. Some 9,000 were registered in January and output in the U.S. was running at the rate of 100,000 a year.

Renault recently introduced in Europe some Jeeps fitted with Renault engines, but M Tiberghien suggested that, not only was demand in Europe for four-wheel-drive vehicles very limited, while the dollar remained strong "it is a problem."

Apart from launching one important new car model each year, Renault also intends to open up a new market annually. M Tiberghien revealed that in 1983 Renault would concentrate on doing better in Mexico as well as consolidating its position in Portugal where the group al-

ready has a 30 per cent car market share.

The new R11 is a contender with the R9 in the lower-middle car market sector which has grown from 25 to over 30 per cent of total West European sales since 1978 and now accounts for about 3m cars a year.

Renault believes the R9 and R11 between them can capture 15 per cent of the segment shared almost equally. So far the R9 has achieved 9 per cent of the segment. The target would involve production of 450,000 R9s and R11s a year.

The R11 shares engines, gearboxes, floorpan, doors, bonnet, and wing panels with the R9 and will be made alongside the R9 at the heavily-automated Douai plant in northern France. Some R9 production will be moved to Maubeuge, also in northern France, to make way for the hatchback.

In the longer term, both the R9 and R11 will be made in Spain as well as France and the U.S.

Renault's other car in the lower-middle sector, the R14 has faded recently. Output was down from 202,000 in 1980 to only 69,000 last year, and will go out of production next month. The R14 is currently made only in Belgium and Spain.

According to the preliminary information issued by Renault, the R11 will be launched in France in April with prices roughly in line with those for the R9 but a little more at the top end of the range where the R11 models will feature advanced electronics, including a speech synthesiser to give warnings and information to the driver.

This announcement appears as a matter of record only.



Federazione Italiana dei Consorzi Agrari

Società Cooperativa A.R.L. - Roma

DM 85,000,000
Loan Facility

Arranged by
Crédit Commercial de France

Provided by
Banca Nazionale del Lavoro - Succursale di Paris
Banca Popolare di Novara - Succursale di Luxembourg
Banco di Santo Spirito (Luxembourg)
Cassa di Risparmio delle Provincie Lombarde - London Branch
Crédit Agricole
Crédit Commercial de France
Istituto Bancario San Paolo di Torino - London Branch
Nagrafin Bank Limited
Union de Banques Arabes et Françaises - U.B.A.F.

Agent
Crédit Commercial de France



December 1982

All of these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

February 16, 1983

600,000 Shares

**siltec**

Common Stock

Kidder, Peabody & Co.
IncorporatedHambrecht & Quist
Incorporated

Bear, Stearns & Co.

The First Boston Corporation

Blyth Eastman Paine Webber
IncorporatedDonaldson, Lufkin & Jenrette
Securities CorporationDrexel Burnham Lambert
Incorporated

E. F. Hutton & Company Inc.

Lehman Brothers Kuhn Loeb
IncorporatedMerrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith IncorporatedPrudential-Bache
SecuritiesL. F. Rothschild, Unterberg, Towbin
Incorporated

Shearson/American Express Inc.

Smith Barney, Harris Upham & Co.
Incorporated

Wertheim & Co., Inc.

Dean Witter Reynolds Inc.

ABD Securities Corporation
Corporation

Atlantic Capital

Basle Securities Corporation

Alex. Brown & Sons

Cazenove Inc.

EuroPartners Securities Corporation

Montgomery Securities

Moseley, Hallgarten, Estabrook & Weeden Inc.

Nomura Securities International, Inc.

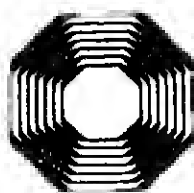
Oppenheimer & Co., Inc.

Rothschild Inc.

Thomson McKinnon Securities Inc.

Grieson, Grant and Co.

Pierson, Helling & Pierson, N.Y.

**C. A. La Electricidad de Caracas**

\$20,000,000 medium-term loan

FUNDS PROVIDED BY:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

CHEMICAL BANK

INARCO INTERNATIONAL BANK N.V.

SAUDI INTERNATIONAL BANK

AL-BANK AL-SAUDI AL-ALAMI LIMITED

CONSOLIDATED BANK

AGENT:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

This announcement appears as a matter of record only.

January 1983

A NEW POLITICAL RISK FORECAST FROM
FROST & SULLIVAN INC.
largest publishers in the political risk field**ZIMBABWE**

A 65 page study giving assessments on 13 business risk indicators under three possible government scenarios over both the next 18 months and 5 year periods - designed to assist executives and analysts in initiating, protecting or enlarging investments - price: USD 225.00

Zimbabwe is just one of 70 countries covered by Frost & Sullivan's World Political Risk Forecasts. Reports are available by country, by region or as a worldwide service and come with a money back guarantee.

For full details contact:
FROST & SULLIVAN LTD.
104/112 Marylebone Lane, London W1M 5PU.
Tel: 01-486 8377. Telex: 261671.
NEW YORK - LONDON - FRANKFURT - TOKYO**KLEINWORT BENSON FINANCE B.V.**

US \$50,000,000

Guaranteed Floating Rate Notes 1991

convertible until 1985 into 10% per cent. Guaranteed Bonds 1995 and unconditionally and irrevocably guaranteed as to payment of principal, premium (if any) and interest by

KLEINWORT, BENSON, LONSDALE LIMITED

For the three months 17th February, 1983 to 17th May, 1983 the Notes will carry a Rate of Interest of 9% per cent. per annum with a Coupon Amount of US\$ 116.66.

CHEMICAL BANK INTERNATIONAL LIMITED
Agent Bank**VONTOBEL EUROBONDINDICES**WEIGHTED AVERAGE YIELDS
PER FEBRUARY 15 1983

	Today	Last week	Year's High	Year's Low
US\$ Eurobonds	12.04	12.20	12.22	11.86
DM (Foreign Bonds issues)	7.73	7.70	7.70	7.41
HFL (Boiler Notes)	7.97	7.97	8.07	7.43
Can\$ Eurobonds	13.11	13.17	13.95	13.11

J. Vontobel & Co. Bankers, Zurich - Tel: 01-488 7111

Weekly net asset value

**Tokyo Pacific Holdings (Seaboard) N.V.**

on 15th February, 1983, U.S.\$64.01

Listed on the Amsterdam Stock Exchange

Information: Pierson, Helling & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.**INTL. COMPANIES & FINANCE****HK depositors warned on DTCs**

BY ROBERT COTTRELL IN HONG KONG

MR COLIN MARTIN, Hong Kong's Commissioner of Banking and Deposit-Taking Companies (DTCs), yesterday warned members of the public depositing funds with registered DTCs to look carefully at the standing of the institution with which they place their money.

The commissioner also warned DTCs to arrange stand-by credit lines from banks if they feared that a further run-down in public deposits might lead to liquidity problems.

Mr Martin's warning came as he announced the revocation of a seventh DTC registration, that of Current Finance, part of the finance group CBG which is now being investigated by the police. He also announced the lifting of the suspension which had been imposed earlier this month on another registered DTC, First Hongkong Credit (FHC), which, he said, had succeeded in boosting liquidity back to the level demanded by law.

Hong Kong's credit institutions are currently under-

going a two-year government-ordered restructuring process due to be completed in July this year. The effect of the restructuring is gradually to push short-term public deposits out of reach of registered DTCs and into the exclusive domain of banks. A new intermediate category, licensed DTCs, has been created, of which can take deposits of any maturity, but only in excess of HK\$500,000 (US\$15,000). As of July, registered DTCs will only be able to accept public deposits of more than HK\$50,000, carrying maturities of longer than three months.

The restructuring is squeezing those registered DTCs which are not subsidiaries of banks. As their short-term public deposits diminish, the independent DTCs must seek increasingly to fund their loan portfolios from the interbank money markets.

Mr Martin said that of the 122 registrations so far revoked, four, Whitehall Finance, Tetra Finance, Axona International Credit and Com-

merce and Hongkong Deposit and Guaranty, were victims of liquidity problems as banks became unwilling to supply funding. The remaining three, Dollar Credit, America and Finance, fell into a different category.

Investigations were now proceeding into these three DTCs and the results would be referred to the Colony's Attorney General. It would be up to him to decide whether there were grounds for any prosecution.

Mr Martin said that, based on monthly liquidity returns supplied by DTCs, he hoped that the coming months would not see further failures but this could not be guaranteed. Some DTCs, he noted, would have to provide against loans to now-failed DTCs which had previously been counted as liquid assets. He also noted that 53 independent DTCs had yet to comply with a government requirement to raise their paid-up capital from a minimum of HK\$5m to HK\$10m by the end of June.

He said his warning to public

depositors should not be construed as a suggestion that money should be moved out of particular DTCs en masse. Nonetheless, his words may cause some concern to those independent DTCs most exposed to any further erosion of public confidence.

The troubles of the DTC sector over the past four months may lead, said Mr Martin, to some amendments to Hong Kong's deposit-taking ordinance. Two areas are now under review. The first covers restrictions preventing a DTC from lending more than 25 per cent of its paid-up capital and reserves to a single borrower or group of borrowers. The government is likely to tighten the present definition of a "group" of borrowers, which at present does not include, in the case of guaranteed loans, separate borrowers with a common guarantor. Mr Martin is also reviewing the appropriateness of suspension, used as an interim measure, and the revocation of registrations as sanctions against delinquent DTCs.

Sharp fall in first half at Sentrachem

By Our Johannesburg Correspondent

SOUTH AFRICA'S second largest chemicals group, Sentrachem, had a 70 per cent drop in consolidated net profits by 18 per cent to Y57bn (\$244m) in the year to October 1982. Profits per share were Y38.05 compared with Y144.49, or 73.5 per cent higher, at Y114bn, on full year sales of Y587bn, up by 13 per cent.

Domestic sales increased by 10.7 per cent to account for 68.3 per cent of the total, while overseas sales grew by 17.5 per cent to account for 31.7 per cent.

Sales of consumer photographic products rose by 9.3 per cent to account for 49.5 per cent of the total. Magnetic products sales, including VTR tapes and floppy discs, jumped by 56 per cent to account for 11.9 per cent. Sales of commercial items such as X-ray and motion picture related products rose by 8.3 per cent to account for 38.6 per cent.

The company's equity in the earnings of its 121 subsidiaries and affiliates improved by only 1 per cent to Y6.7bn.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

Advance in earnings and sales at Fuji Photo Film

BY YOKO SHIBATA IN TOKYO

FUJI PHOTO FILM, Japan's largest photographic film manufacturer, with a 70 per cent share in the domestic market lifted consolidated net profits by 18 per cent to Y57bn (\$244m) in the year to October 1982. Profits per share were Y38.05 compared with Y144.49, or 73.5 per cent higher, at Y114bn, on full year sales of Y587bn, up by 13 per cent.

Domestic sales increased by 10.7 per cent to account for 68.3 per cent of the total, while overseas sales grew by 17.5 per cent to account for 31.7 per cent.

Sales of consumer photographic products rose by 9.3 per cent to account for 49.5 per cent of the total. Magnetic products sales, including VTR tapes and floppy discs, jumped by 56 per cent to account for 11.9 per cent.

Sales of commercial items such as X-ray and motion picture related products rose by 8.3 per cent to account for 38.6 per cent.

The company's equity in the earnings of its 121 subsidiaries and affiliates improved by only 1 per cent to Y6.7bn.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

Second-half recovery for Union Carbide Australia

BY LACHLAN DRUMMOND IN SYDNEY

UNION CARBIDE AUSTRALIA and New Zealand ended 1982 with net profits down 24 per cent to A\$5.5m (US\$3.5m) after a strong recovery in the second half.

Profits jumped 53 per cent from A\$2.61m to A\$3.95m in the second half as did sales, which rose 11 per cent to A\$1.61m.

The company attributed its second half gains across most of its businesses, which span batteries, plastic resins and consumer-oriented plastic bars and film, to improved plant efficiencies, tight controls on costs and working capital requirements and higher prices for some consumer lines.

New products based on the recently introduced linear low-density polyethylene production helped in the second half as did increased demand for high-density polyethylene resins.

Sales by the 60 per cent U.S.-owned group were little changed for the year at A\$224.7m. A final dividend of 8 cents a share leaves the total unchanged at 22.4 cents against 22.2 cents.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

For the current year, the company forecasts full-year sales of Y660bn, up by 12 per cent, with better sales of VTR tapes and floppy discs. However, higher silver prices and the year's higher value may keep consolidated earnings down to the level of 1981-82.

Beatrice Foods Overseas Finance N.V.

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1979, under which the above-designated Debentures are issued, \$1,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn for redemption on March 15, 1983 (herein sometimes referred to as the redemption date):

21 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	22 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
23 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	24 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
25 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	26 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
27 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	28 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
29 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	30 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
31 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	32 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
33 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	34 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
35 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	36 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
37 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	38 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
39 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	40 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
41 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	42 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
43 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	44 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
45 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	46 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
47 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	48 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188
49 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10807 11863 12415 12895 13621 14188	50 2737 4084 5200 5840 6443 7109 7645 8415 9101 9963 10

Financial Controller West Yorkshire

To £17,000 + Car + Benefits

Our client is a successful medium-sized subsidiary of a substantial UK group, whose business is centred around construction and other contract-based activities.

The position will entail full responsibility for the financial management of the business, with considerable emphasis on planning and systems development.

The successful applicant, aged 30-40, will be a qualified Accountant of graduate intellect, with the leadership qualities required to make an impact within a major company at executive level. Previous experience in a contract-orientated environment is preferable, though not essential.

Relocation facilities are available where appropriate and interested applicants should telephone Alan Dickinson on 061-228 0396, or write to him, quoting Reference 5306, at Michael Page Partnership, Faulkner House, Faulkner Street, Manchester M1 4DY.

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

DIRECTOR POTENTIAL

to £25,000 + exceptional benefits
An exceptional U.K. lending specialist, with the drive and ambition to become an associate director within 18 months, is sought by a major international merchant bank. The main area of business will be with leading U.K. based international and substantial exposure in this field is required. The ideal candidate will be under 35, a graduate, with extensive US style credit training, and have already gained management status in a leading US or Merchant Bank. Ref: DE/10214.

EUROBOND MANAGEMENT

to £17,000 a.a. + generous bank benefits
Continuing growth of Eurobond activities has created a challenging opportunity for an administration professional with a well-established U.K. bank. Good managerial skills are needed in taking responsibility for several operational sections, together with the ability to make a positive impact on computer system development. Ref: FH/1049K.

DEALERS

to £25,000 + excellent benefits
Our clients can offer you the opening many dealers seek but few obtain, the opportunity to work for a recognised leader in the fx markets. To succeed you will need to display a high degree of 'trading aggression' be hungry for business, but still be capable of making sound, profitable judgements. Experience in a major trading room is a must. Location - Europe, M. East, Scandinavia and London. Ref: DE/2268A.

All applications will be treated in the strictest confidence.



ROBERT HALF
LEE HOUSE, LONDON WALL, EC2. 01-606 6771.
SEARCH & RECRUITMENT.

ENTREPRENEUR

who only accepts the best, needs

A Qualified Accountant with commercial experience who has the personality to work alongside him in trying circumstances at all hours of the day and night at the same time as keeping him under control.

The successful candidate will, of course, be responsible for the existing team already providing day-to-day information and control. Equally as important must be the ability of high-level interpretation and forward planning as the group continues its expansion and diversification at an alarming rate.

The group, which is owned by said Entrepreneur and his wife, is presently linked to the motor trade with a current turnover of £8 million. The requirements make it unlikely that the successful applicant will be less than 35 years.

It is reluctantly accepted that the position must lead to a directorship and the rewards commensurate therewith. The locality is Berks/Hants/Surrey with overseas potential.

Write Box A.825, Financial Times
10 Cannon Street, London EC4P 4BY

SENIOR INVESTMENT MANAGER

LONDON branch of internationally-recognised and respected Swiss Bank with offices in Zurich and New York seeks a SENIOR INVESTMENT MANAGER to strengthen the expanding operation to manage private clients and institutional portfolios.

The applicant should preferably be aged 30-45 and have several years' experience in a similar position with knowledge of the major overseas investment markets in addition to the U.K.

Good opportunities to contribute to the development of the funds under management and to the administration of the small but rapidly growing investment management operation. Salary negotiable, reflecting the importance of this position.

Please write in confidence with full details to:

Fernand P. Koch
BANK JULIUS BAER & CO. LTD.
3 Lombard Street, London EC3V 9ER

JOBS COLUMN

Old buildings • New ideas • Consultants etc

BY MICHAEL DIXON

"WHAT'S it to be then — an 'ed or a banimal?" Ted Roocroft used to ask optimistically as he doled out a new block of wood each Monday at the Regional College of Art, Manchester.

At the time, almost 30 years ago, the Jobs Column wanted to be a sculptor. And in the matter of slapping clay about, it wasn't all that bad. But somehow the chisels available in the wood-carving classes would sooner or later slip off their own, like infant bulldozers.

So when I chose the head from Mr Roocroft's limited range of options on the Monday morning, what he got back on the Friday was a globular paper-weight. And, from dogs to elephants, all turned out to be essentially either snakes or caterpillars.

While I was sure the problem would vanish once my tutors let me progress from bits of wood to half-ton blocks of marble, they did not share my confidence. Bang went another career. But carving has never lost its fascination. Allowed to choose the last thing I shall see, I'd pick the doorway of the Chapter House of Southwell Minster near Nottingham.

Hence a certain wishfulness about a job being offered through Fred Grover of Executive Index with a company in a British contracting group. Since he may not name it be

promises, as do all recruiters mentioned in this column who do not reveal their client, to honour any applicant's request not to be identified as yet to the employer.

The company, which wants a senior contracts manager, concentrates on restoring noble buildings which currently include three cathedrals. Unusually, I am told, it employs its own specialists in ancient crafts including wood- and stone-carving. "Mind you, they have got to be up to date with modern techniques too," Mr Grover says. "For example, there are glues these days that will usually do to place of dowel joints."

If not craftspeople themselves, candidates must be sensitively appreciative professionals allied to the construction industry such as surveyors or architects. They also need demonstrable commercial acumen and experience in modern managerial methods.

"It's not a combination I'd expect to find in many people," the recruiter adds. "But he thinks it is indispensable if the recruit is to strike the balance between excellence of crafts-work and profitability of contract."

Knowledge of the relevant parts of the building market — banks as well as churches and ancient secular foundations are seen as potential customers — would be a help. And since London is the most likely

growth market, the manager would need to live between there and Cambridge.

At £10,000 upwards, the starting salary strikes me as typifying the woeful underestimate which this society makes of the skills of efficiently and economically preserving the landmarks of its past. But the perks include a car.

Inquiries to Mr Grover at 11 Palmer Street, London SW1; telephone 01-222 1181, telex 8813112.

Ventures

NOW to something more than hopes of the future in the shape of a couple of posts with a new joint-venture enterprise with around £4m to invest in promising innovations.

One of the jobs is for a venture manager who will evaluate proposals, work out and negotiate deals, and help to nurse the associated developments specifically in the field of microelectronics. The other recruit will do the same in all the other areas of possibility combined. Both jobs are being offered through Geoffrey King of Cambridge Recruitment Consultants.

"The microelectronics manager will obviously need to have worked in that industry, and the wider the experience the better," he says. "But since there are few people doing venture-capital work of the same kind, we're not expecting

applicants to have track records in it.

"What we are looking for is people who have coped with ups and downs in business life and have come through wiser and no less determined. My client feels that the school of hard knocks turns out admirable products."

Both of the newcomers will be responsible to the chairman of the company, and will be front-runners for the managing directorship which should be on offer before very long if the business achieves its growth targets. Mr King is coy about the place of work. "Well north of Watford" is all he will say.

Salaries up to £25,000 with share in profits and car among other benefits.

Inquiries to 1a Rose Crescent, Cambridge CB2 3LL; tel. 0223 311316.

35-plus

GIVEN fitness and appropriate qualifications, anyone over 35 is welcome to apply to become either a management consultant specialising in marketing or financial strategy, or a recruiter with Wales International Management Centre.

The base of this private enterprise consultancy is Cardiff, but its staff travel a lot. Wales or the West Country would be good locations for all recruits, so would the West Midlands for the management

consultants, or the western Home Counties for the recruiter who will use mainly search methods.

Salaries £15,000-plus, bonus on results, car allowance. Inquiries to Alan Rosser, 6-8 Albany Road, Cardiff CF2 3RP. Tel. 0222 485466.

Credit chief

A CREDIT specialist with knowledge of commodity markets as well as computer systems is sought by Martin Krusiewski of Accountancy Resources to establish a complete credit-management operation in the London office of a U.S. commodity and securities broker. The appointment is seen as particularly important because of the firm's recent expansion into bullion and foreign exchange.

Salary £25,000-£30,000. Inquiries to Mr Krusiewski at 83 Victoria Street, London SW1H 0HW. Tel. 01-222 7231, telex 89566012.

Bankers

SENIOR BANKERS expert in capital market business are wanted by Dudley Edmunds of Robert Half Personnel (UK) for an unspecified number of associate directors' posts in London with an expanding international bank. Tasks will include marketing a wide range of financial services on worldwide scale. Candidates should have at

least five years experience in capital market financing with banks with high reputations in the field, preferably including U.S. institutions. A Master of Business Administration degree would be a help.

Salary indicator is £30,000. Perks of usual City munificence. Inquiries to Mr Edmunds at Lee House, London Wall, London EC2Y 5AS; tel. 01-606 6771.

City systems

JOHN BEDFORD of Computer Personnel is seeking a business development manager to market the services of the British arm of a U.S. data-processing systems consultancy to the whole gamut of financial organisations in the City of London. The subsidiary has grown rapidly to a turnover of more than £1m.

In addition to City contacts, applicants need familiarity with data-processing and experience of sales and marketing, preferably at senior level. An accountancy or other professional qualification would be an advantage. Age probably at least 35. The salary indicator is £20,000 upwards, and the other benefits include a car. Inquiries to Mr Bedford at 16 Bedford Row London WC1R 4EB; tel. 01-242 9356, telex 24224-1163.

Documentary Credits Manager International Banking

Merrill Lynch International Bank Limited is actively developing a global commodity lending portfolio to capitalise on the position and expertise of the Merrill Lynch group, which includes one of the world's leading commodity futures brokers. In order to provide the full range of financing required by the trade, the Bank is seeking an experienced professional to establish and manage a new Documentary Credits and Collection Department.

The ideal candidate would currently hold a similar position of responsibility with an international bank active in commodity and trade financing, and have:

- a thorough background in issuing and handling all types of letters of credit, bonds, guarantees, bills, acceptances and collections.
- experience in valuing and controlling collateral.
- training, supervising and managing staff.

In addition to a challenging professional environment, we offer a highly competitive salary and traditional banking perquisites.

If you feel you may qualify, please send a current cv to Keith A. Robinson, Merrill Lynch International Bank Limited, Merrill Lynch House, 27/28 Finsbury Square, London EC2A 1AQ.

Merrill Lynch

INVESTMENT MANAGEMENT- EQUITIES

Owing to promotion of the previous manager to the position of the Society's Chief Investment Manager, Scottish Equitable aim to recruit a new Equity Investment Manager. This is an opportunity to become a key member of a small team in a growth environment. Funds under management exceed £980m (compared with £130m 10 years ago) including equity shares valued at £300m.

RESPONSIBILITY will be for managing the equity portfolio to achieve consistent good investment performance in the competitive life and pensions market.

THE REQUIREMENT is for a record of success in equity investment management preferably including international markets. Preferred age 30's.

Salary negotiable in the bracket £20,000-£30,000. Other benefits include a car, low interest mortgage, and an excellent non-contributory pension scheme. This post is open to men and women.

Write in complete confidence or telephone David Berridge, General Manager, Scottish Equitable Life Assurance Society, 31 St. Andrew Square, Edinburgh, EH2 2QZ. 031-556 9101.

Scottish Equitable
Life Assurance Society

CHIEF DEALER

But clients who are setting up their U.K. banking operation are interested to speak to senior dealers with a wide knowledge and experience in the Foreign Exchanges and Money Markets and are currently actively dealing there is also a moment of business development in this position.

CREDIT MANAGER

This position in a bank opening in the City will be as Head of Credit Department and include as part of the function U.K. marketing. The incumbent will have had experience in the initiation and development of wholesale banking business particularly in the specialist Trade Finance sector.

FOREIGN EXCHANGE SPOT DEALER

An experienced Spot Dealer is currently being sought by a first-class name bank to join them at a senior level.

EUROBOND DEALERS

Two of our European Bank London branches are actively seeking experienced traders at senior level, who have experience of aggressive marketing.

EUROBOND SALES

At least one year in an active sales capacity is envisaged in several sales positions we are currently handling on behalf of City clients.

MANAGER EUROBOND ADMINISTRATION

An experienced person is required to join a large bank trading operation which has recently been reorganised to cope with increased trading activities. A minimum of 5 years' experience in all aspects of Eurobond administration is a prerequisite.

Speak to Sheila Jones

**OLD BROAD STREET
BUREAU LIMITED**
STAFF CONSULTANTS
01-588 3991

Bank Recruitment Specialists

BOND SALES:

SENIOR EXECUTIVE £20,000 +
Due to expansion of business a first-class U.S. investment bank has a rare opportunity for a seasoned bond market professional, with a track record of some 3 to 5 years in Eurobond Sales, to join at senior level. Highly attractive terms are negotiable, plus a substantial bonus, mortgage, subsidy and other benefits.

SENIOR F/X DEALER £25,000
Major continental bank seeks an additional Senior Dealer with upwards of 5 years' active dealing experience in major currencies, both exchanges and deposits.

FORWARD DM DEALER £20,000
A Senior Dealer with upwards of 3 years' appropriate experience is sought by a prominent European bank to take responsibility for the Forward Market book. This is the No.2 position in the room.

SPOT F/X DEALER £20,000
An accomplished Spot Dealer in major currencies is sought by a prime European bank.

BOND & F.R.N. DEALERS

Opportunities currently exist with major international banks for Bond and F.R.N. Dealers to £20,000 + a Convertible Bond Dealer to £20,000 + a Y.C. Bond Dealer to £20,000; and an F.R.N. Dealer to £20,000. Comprehensive fringe benefits, inclusive of mortgage subsidy, apply to all these appointments.

LEASING EXECUTIVE Negotiable
Exceptional demand currently exists for qualified Leasing Executives in a major merchant bank wishes to appoint a Research & Marketing Executive. Candidates, aged 25 or under, will have gained experience within a similar environment and possess good interpersonal skills. The position offers excellent benefits and prospects for advancement.

CHARTERED ACCOUNTANTS £14-15,000
Exceptional demand currently exists for qualified Accountants who have approximately 2 years' post-qualifying experience, including international bank audits. Part of our client banks currently seek each individually two of these appointments are for Audit, the other two in Financial Control.

Please contact Ken Anderson or Leslie Squires. Telephone: 01-588 6644

Anderson, Squires, Bank Recruitment Specialists
Blomfield House, 85 London Wall, London EC2M 7AE

MILAN: FINANCIAL CONTROLLER

Negotiable
An international finance company wishes to engage an Accountant for its operations in Northern Italy. He should like to have been a chartered accountant in his last 20 years, 30 who are fluent in Italian, have knowledge of Italian/U.S. accounting systems, tax and treasury expertise. A strong background would be a distinct advantage.

CREDIT ANALYSTS £15,000
An opportunity with a major international bank for a highly experienced Senior Credit Analyst, who will probably be required under 35, a graduate and/or professionally qualified. Two additional openings exist for experienced Credit Analysts at slightly less senior levels.

LEADS: DOC. CREDITS OFFICER £10,000 + Bonus
Have opportunity for an experienced international banker to head the Doc. Credits Dept. of a major bank branch in Leeds. Ideally, candidates will be aged 25-32, qualified A.I.B. with upwards of 7 years' experience including both export and import credits and foreign exchange.

TOP APPOINTMENTS
Only Commaught offer a success-related fee structure to selected senior executives seeking new appointments from £1,000 to £50,000. Perhaps we can help you too. Contact us for a confidential meeting without obligation.

Commaught
Executive Management Services Limited

73 Grosvenor Street,
London W1 01-493 8564
(24 hours answering service)

Anderson, Squires

**LEASING/PROJECT
FINANCE NEGOTIATOR****To £30,000
+ benefits**

Our client specialises in the raising of finance for major capital assets (ships, aircraft etc.) and the management of companies leasing portfolios. A vacancy exists for a graduate aged 25-35 years with a second relevant degree or ACA with experience of negotiating complex leasing transactions involving pricing structuring tax implications documentation etc. Additional technical skills, candidates must have a proven track record of marketing gained with a bank's leasing division. Benefits include profit share, company car etc. Excellent future prospects are envisaged for the successful applicant.

**AVP/MANAGER INTERNATIONAL
LEASING DIVISION****Aged 28-35
years**

This excellent bank seeks a first class graduate with at least three years big ticket leasing (25m+) experience. This must include in-depth technical skills plus marketing globally, cross border leveraged leases. Salary negotiable aae £30,000-£28,000 pa + benefits.

MERCHANT BANKS LEASING DIVISION**24-28 years**

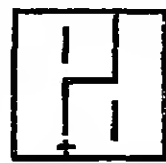
We have three vacancies for the young graduate leasing executive with several years experience covering the technical aspects such as computerised lease evaluation, risk assessment, documents, taxation etc. plus hopefully some marketing negotiation experience. Salaries neg. £14-18,000 pa.

**SALES AID/VENDOR PROGRAMMES
MARKETING EXECUTIVES****25-32
years**

We currently seek motivated sales executives currently working with multinational capital equipment manufacturers ie. computers photocopiers, or hi-tech companies etc. Applicants should have had a formal sales training background and be graduates, with a working knowledge of leasing. Salary potential to £20,000 pa + benefits.

Please contact: Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate - London EC2M 4LX - 01 623 1266

**Funding
Advice to
the Public
Sector****£ Negotiable**

We wish to recruit an additional person to join the successful team which markets our funding services, notably to local authorities and to the wider public sector.

These services range from leasing to financial futures, and from overnight money to stock issues, and involve considerable contacts with banks, building societies and other financial institutions. The ideal candidate would be highly numerate, a graduate or holding a professional qualification, probably in his/her mid-twenties, and with a legal or accounting background.

The prospects for career development and promotion will be excellent for the right person, and the salary package will be highly attractive.

For further information, please contact Peter Morley, IPFA, on 01-628 4444, or write to him with a current C.V. at Lee House, London Wall, London EC2Y 5AP.

Phillips & Drew**Cable
Television**

A very large UK based industrial and communication company needs help to investigate and develop an appropriate strategy in this rapidly changing and expanding field.

The brief will involve the continuous investigation of all relevant options, the assessment of specific short and long term business opportunities, and the recommendation of strategic courses open to the company.

The essential requirements are commercial acumen, analytical skill and enthusiasm; preferably with experience of the industry - although any commercial or industrial background is acceptable provided the essential criteria can be met - and of working in a large company. Age is unimportant.

Salary will be substantial. Location - London.

Please write with full personal and career details, indicating any companies to whom your application should not be forwarded, and quoting Ref. 840/FT, to:

Philip Smith

Manpower Consultants
85-87 Jermy Street, London SW1Y 6JD

Lawyer

We have an opportunity for a Lawyer in the Group Secretary's Legal Department at the Head Office of Grindlays Bank plc in London.

Grindlays is a major international bank with representation through branches, offices, subsidiaries and associate companies in forty countries throughout the world. The incumbent will be concerned with the provision of corporate and legal services at all levels within the Group, including advice on developments in the law affecting the Group in the conduct of its business world wide.

The position calls for a solicitor or barrister with at least three years post-qualification experience, either in private practice or in the legal department of a large international company with a good grasp of company and commercial law and practice. The person appointed will act as assistant secretary to Grindlays Bank and as secretary to a number of subsidiary companies within the Group. They will also have responsibility for the control and administration of the Group's internal insurance requirements.

An attractive salary is offered and benefits include a subsidised mortgage scheme, membership of BUPA and a non-contributory pension scheme.

Please send full career details to:

R.J.E. Barker, Group Appointments Manager,

Grindlays Bank plc.

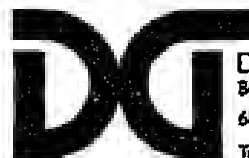
36 Fenchurch Street, London EC3P 3AS.

**Senior
Eurobond Dealer**

is required by a major European bank for its London-based Eurobond market operations. A sound education and fluency in English is essential; German and French would be an advantage. The salary and benefits package will be according to experience.

A handwritten application, which will be treated in the strictest confidence, should be sent, together with a detailed curriculum vitae, to:

Box A.5081, Financial Times,
10 Cannon Street, London EC4P 4BY

**David Grove Associates**

Bank Executive Recruitment

60 Cheapside London EC2N 6AX

Telephone 01-236 0640

LENDING OFFICER**circa. £20,000**

A long established authorised bank wishes to strengthen its domestic lending team with the appointment of an experienced lending officer. Candidates will have considerable banking experience and have successfully established new relationships and serviced existing borrowing clients.

LENDING OFFICER**circa. £17,000**

An interesting opportunity for an experienced lending officer to manage his own portfolio in the newly established London branch of an international bank. Candidates should be graduates or hold the AIB, have a better than average working knowledge of French and have had considerable previous involvement in trade finance. A good analytical background is essential. Preferred age c. 35.

INVESTMENT MARKETING/SALES OFFICER**circa. £15,000 + bonus**

Leading international bank wishes to recruit young highly motivated marketing officer with experience in the international investment field. Financial rewards, related to performance, will be high.

PLEASE CONTACT DAVID GROVE ON 01-236 4441

**BANKING
OPPORTUNITIES****BANKING OPPORTUNITIES**

EUROBOND SALES Age - 25/35 Neg to £24,000
Prime name seeks highly professional salesperson, preferably with French and German, and a proven track record in the international capital market.

CHIEF DEALER Age - 35/40 from £20,000
Small, specialist bank seeks a mature dealer with 5/10 years relevant experience to cover term deposits including euro deposits.

FORWARD FOREX TRADER Age - late 20s to £20,000
Established European bank seeks a DM trader in forwards with at least 3/4 years' experience in this currency.

MARKETING OFFICER Age - 25/34 £14,000
Major international bank seeks an ambitious, extrovert marketing officer to handle blue chip business. Excellent career prospects.

EUROBOND TRADERS 20s/30s Variable salaries to £15,000 neg.
We are currently seeking eurobond traders for general banks, fully experienced in convertibles or annuities. Candidates must possess relevant background in an active environment.

EUROBOND SALES Age - 25/30s £14,000 neg.
Prime market makers are seeking ambitious, self-motivated sales people with 1-3 years' relevant experience. Fluency in a European language an advantage.

ASSISTANT MANAGER - LOANS £15,000
Established European bank seeks an assistant manager with a loans administration/credit analysis/marketing background. Challenging position with potential.

CAREER OPPORTUNITY Age - mid 20s £14,000
Large international bank wishes to recruit ambitious young careers for middle management positions. Candidates should possess a degree in Economics and 5 years' banking experience.

LJC BANKING

170 Bishopsgate, London EC2M 4LX
01-283 9953

FUND MANAGER

We are the country's fourth largest Building Society with assets in excess of £4,400 millions, and seek to appoint a Fund Manager who will be based at the Society's Head Office in Leeds.

PRIME RESPONSIBILITY

will be for the management of the investments of the Staff Pension Scheme involving continuous monitoring of equity, gilt-edged and overseas markets, including detailed economic analysis. The successful applicant will also be part of a specialist team responsible for the management of the Society's liquid funds which now exceed £800 million.

Formal qualification, although desirable, is not essential but rather we seek someone with analytical training and a proven record in fund management who can make a positive contribution to investment policy.

THE APPOINTMENT

is a senior one, for a female or a male, and we expect that the successful candidate will have had a minimum experience level of five years in a similar appointment with a stockbroker, banker or other investment organisation. Salary will be commensurate with experience and other benefits include free life assurance cover, a contributory pension scheme and concessionary mortgage facilities. Interested applicants should write briefly or telephone for an application form quoting ref. FT 17/2/83.

J. Clark MBIM Esq.
Personnel Manager,
Leeds Permanent
Building Society,
Permanent House,
The Headrow,
Leeds LS1 1NS.
Tel: Leeds (0532) 438181.
Ext. 448.
Enquiries will be treated
in the strictest confidence. Envelopes
should be marked "Chief Executive".

**the Leeds
PERMANENT
BUILDING SOCIETY**

**International
Executive**

Our client, The International Futures Exchange (Bermuda) Limited, is a unique trading vehicle for financial futures markets worldwide. The company is expanding its activity and has opened an office in London.

You will be responsible for representing the Exchange in the London and European financial communities and for establishing sound relationships with members of the Clearing House.

You will have a City background, preferably in banking, with experience in international financial markets. Ideally in your 30's, you should be responsive to new ideas and be able to cope with a busy environment. An excellent salary and other benefits are offered commensurate with this position. Location, City of London.

Please write in strict confidence, quoting reference 217, to D.B. Atkins as adviser to the company.

**AMC
Selection**

Recruitment Consultants
15 Borough High Street
London SE1 9SH
Tel: 01-403 0924

TAX AND FINANCIAL PLANNING EXECUTIVE**CIRCA: £25,000 p.a.**

Thomson's Overseas is a well established firm of tax and financial planning consultants. Our clients are principally British nationals living/working abroad. Due to the significant increases in our business we are looking for another executive to join our senior management. Applicants should be accountants/solicitors or have several years experience in the personal financial planning field. They should have overseas experience and be willing to travel for at least 12 weeks per annum in a designated area. Age 35-45.

Salary and benefits negotiable. Anyone earning less than £20,000 p.a. is unlikely to be considered.

Please write to R.N. Hurst, Managing Director, Thomson's Overseas Limited, 1 Winton Road, London SW17 with a copy of your curriculum vitae. All applications will be kept in the strictest confidence.

**Thomson's
Overseas**
London Hong Kong New York

EUROBOND DEALER

Union Bank of Switzerland (Securities) Limited in London is seeking an experienced Eurobond Dealer to complement its existing team. Candidates are expected to have spent some years in the dealing room of an active market maker. A sound command of German and/or French would be an advantage; fluency in English is essential. The remuneration package will be commensurate with experience.

Full career and personal details should accompany a handwritten application and be addressed in confidence to The Personnel Officer, Union Bank of Switzerland (Securities) Limited, The Stock Exchange Building, London EC2N 1EY.

**UNION BANK OF SWITZERLAND
(SECURITIES) LIMITED****Experience not essential, flair fundamental.****INVESTMENT ANALYST**

If you are the type of individual we are looking for, you'll know that investment is central to the function of a life assurance organisation. You'll also know that the Investment Analyst is a key figure.

You are an honours graduate (not necessarily in economics or accountancy) with about three years exposure to industry or commerce. You are numerate with a definite and informed interest in finance and investment - though probably not involved directly in that field at the moment. You have a definite flair for absorbing and assessing information and forming clear judgements. The chance of getting into the investment field - under professional training - appeals to you enormously. Now is your chance.

If your application is successful you will join our expanding investment team where you will be trained and developed on the job before being given personal responsibility for certain sectors of the equity market.

We will give you an excellent salary which we will review regularly. We also have a non-contributory pension scheme and a very attractive staff house purchase scheme.

But above all we will give you an excellent grounding in investment and a very worthwhile career.

Apply in writing to:
The Staff Manager,
The Scottish Provident Institution,
6 St. Andrew Square,
Edinburgh EH2 2YA.

**SCOTTISH
PROVIDENT****CHEMICAL BANK INTERNATIONAL LIMITED**

Chemical Bank International Limited is the London based merchant banking subsidiary of Chemical Bank, New York.

We are embarking upon a major worldwide expansion of our international capital market activities and require exceptional young graduate bankers to join a growing team of corporate finance specialists. We are looking for ambitious and creative individuals able to make a significant contribution to the innovation, development and marketing of capital market and international financing techniques.

The successful applicant (age 23-28) will possess an excellent academic track record and have the qualities of leadership required to ensure early progression to executive level. Accountancy or business school qualifications and foreign language capabilities will be an advantage.

This is an excellent opportunity to join a forward looking organisation which is extending its range of services and penetration of new markets through the development of new techniques and products. The salary we expect to pay will reflect the importance of the appointment and will include all the usual benefits associated with leading financial institutions.

Applicants should forward a full c.v. to Martha Graham, Chemical Bank House, 180 Strand, London WC2R 1ET. Telephone 01-380 5443.

Export Finance and Marketing Officer

£20,000

The Chase Manhattan Bank N.A. is one of the world's leading American banks with an enviable international network.

We are currently seeking a man or woman to join a specialist team at Vice President level and promote our export finance services both to existing corporate clients and new contacts amongst UK exporters of capital goods.

Based at our UK head office in the City of London, the role will involve you in overseas travel, often in the company of colleagues or clients.

Preferably in your mid 30's, you must have a number of years' proven negotiating/marketing experience in UK export finance and international trade within a banking environment. This should encompass an in-depth knowledge of ECGD and other related government departments and export credit agencies.

Career development potential is considerable and could well lead to an overseas appointment.

The salary, fully commensurate with your experience, will be supported by a benefits package including a bank car, preferential mortgage, personal loan scheme and non-contributory medical, pension and life assurance.

Please write with full details of your career to date to Peter Keeble, The Chase Manhattan Bank N.A., Woolgate House, Coleman Street, London EC2P 2HD.



CHASE

Marketing Officer

International Banking

Citibank N.A. offers an opportunity for an experienced professional to join its insurance team based in London. The Insurance Department of Citibank has over the years developed a pre-eminent position in the London insurance market. A key part of the business strategy now is marketing to the insurance broker sector.

In joining this team you must be capable of managing customer relationships at a senior level. Qualifications should include graduate

level education, or possibly membership of the Institute of Bankers, together with at least 3 years' commercial banking experience. This is an excellent opportunity to join a department which offers specialist experience.

An attractive benefits package will be offered, which will fully reflect your experience and qualifications.

Please write with full details to David Macleod, Group Personnel Officer, Citibank N.A., 336 Strand, London WC2R 1HB.

CITIBANK

Top Executives

Seeking a career change

Minister Executive specialises in solving the career problems of Top Executives who are earning in excess of £20,000 a year and are seeking a new opportunity. The Counsellors in our partnership encompass a wide range of experience and skills. All have been engaged in a top management role. The Minister Programme, tailored to your individual needs, will be managed by at least two Counsellors so that you are guided along the most effective route to that better opportunity. We have an impressive record of success and an acknowledged reputation in the employment market; many blue chip companies from a broad spectrum of industry and commerce retain our services in the redeployment of their senior people. It could be to your advantage to find out more about us today. Write or telephone for a preliminary discussion without obligation.

MINISTER EXECUTIVE LTD, 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

Merrill Lynch has a vacancy in their

Arbitrage Department

Applicants should have 3-4 years' experience in the Eurobond market, knowledge of all aspects of Convertible Bond settlements and American and Japanese conversions. Familiarity with computers an advantage. Excellent opportunity for someone with ability to work independently under minimum supervision.

Salary negotiable. Benefits: Pension, Life Assurance, Medical Plan, LV's and interest-free season ticket loan. CV's (with contact telephone number where possible) to: Personnel Dept., Merrill Lynch Holdings Ltd., 27 Finsbury Square, London EC2A 1AQ. (no agencies)



Merrill Lynch

The Investment Specialists' Consultancy

FAR EAST SALES

£15,000 to £20,000
High calibre individual aged 26 to 35 with a good track record in sales of Hong Kong / Singapore and / or Malaysian equities to join a major firm of UK Stockbrokers and analyse special situations for their large private client department.

EQUITY ANALYST

to c. £11,000
Graduate with 2 to 4 years' investment research experience, general within either a broker or an institution to join a major firm of UK Stockbrokers and analyse special situations for their large private client department.

FUND MANAGER

to £20,000
Aged 28 to 35 with a good track record in UK equity fund management and ideally, a good degree, to manage UK equities within a major institution.

BUILDING MATERIALS ANALYST

£18,000 to £20,000
Investment Analyst aged 28 to 40 with sound knowledge of the Building Materials sector to further develop major firm of UK Stockbrokers' coverage, as part of an established team.

For an initial discussion in the strictest of confidence, please contact:
Stephen Embleton or Elizabeth Evans

Stephens Associates
International Recruitment
44 Carter Lane, EC4V 5BN
Telephone: 01-236 7207

EXPERIENCED BLUE BUTTON

Required for
CITY STOCKBROKERS
Please ring Mrs P. Nash
01-438 5717 for appointment.

SENIOR INVESTMENT ANALYST

SGST (jointly owned by Societe Generale and Strauss Turbillion & Co.) one of the leaders of the Euro-bond market, requires a Senior Investment Analyst capable of taking charge of a specialised young and intelligent established research team. Sophisticated computer programming available. Applications, including full cv, to:
Mr P. A. Sherwood
SOCIETE GENERALE STRAUSS TURBILLION LIMITED
3 Moorgate Place, London EC2R 6HR

Experienced ambitious executive

To manage progressive small company supplying and installing bridges and other equipment for the construction industry. Applicants should be aged between 28 and 40, motivated, intelligent, and meticulous over detail. Civil engineering qualification and experience required for this unique opportunity to run an expanding company. Apply in writing enclosing cv. to Box 4 9127, Financial Times 10 Cannon Street, London EC4P 4BY

APPOINTMENTS WANTED

JAPANESE SECURITIES

American with extensive background, speaks and reads the language, seeks challenging position with foreign financial institution in Tokyo.

Replies to Box A 8136
Financial Times
10 Cannon Street, London EC4P 4BY

Salomon Brothers International

need an exceptional Quantitative Financial Analyst

with computer skills

to be a part of their Fixed Income Analysis team in London.

For an appointment, please telephone or write
Mr Charles S. McVeigh, Managing Director,

Salomon Brothers International

One Angel Court, London EC2R 7HS
Telephone: 01-600 9171

A direct line to the executive shortlist

InterExec is the only organization specialising in the confidential promotion of senior executives. InterExec clients do not need to find vacancies or apply for appointments. InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone:

InterExec
London: 01-930 5041/8 19 Charing Cross Rd, W.C.2.
Birmingham 021-643 2924 22 Suffolk St.
Bristol 0273 277315 30 Baldwin St.
Leeds 0532 450243 12 St. Paul's St.
Manchester 061-236 8409 Paulmer House, Paulmer St.

The one who stands out

Appointments Advertising

Appears Every Thursday

Rate £31.50 per single column centimetre

YOUR CAREER IS OUR BUSINESS

We are the firm that provides the most experienced nationwide executive job search, career counselling and video coaching services for Directors and Senior Managers.

We have an unrivalled access to the unpublished job market.
• 50% of our clients go to unadvertised appointments.
• 75% of our clients take up higher salaries jobs.

PHONE NOW
London 01-836 2271
Birmingham 021-632 5491
Bath 0225-323 541
Manchester 061-835 1450

Percy COUTTS & CO. LTD

25 Whitehall, London SW1A 2BT.

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your cv.

CHUSID

The Professionals in Career Counselling
London: 01-580 6771
35-37 Fitzroy St., W.1.
Birmingham: 021-443 4830

The Roxanda, New Street, Manchester: 061-228 0069, Sunley Building, Piccadilly Plaza, Glasgow: 041-332 1502, 141 West Nile Street, Glasgow G1.

We are also specialists in Outplacement for organisations, through our affiliated company **Lander Corporate Services Limited**.

FREELANCE RESEARCHERS

For projects covering applications in the Retail Trades of New Technology Systems such as EPOS, Viewdata, Scanning, Portable Data Entry, Personal Computers, EFTS, Transaction Telephones, Credit Management Systems and others. Interested researchers with experience of the Retail Trades should:-

TELEPHONE (0734) 345585

OFFICE MANAGER

TO £15,000

Rapidly expanding firm of Licensed Dealers in Securities offers attractive prospects to person with thorough experience of Stockbroking and Computerised Accounts. Apply in confidence to:
Mr G. Roisey
6 Ludgate Square, London, EC4

ACCOUNTANCY APPOINTMENTS

BUSINESS-MINOR ACCOUNTANT

c. £16,000

Our client, a leading City finance house, are seeking a qualified ACA with at least 3 years' post qualification experience to join their expanding consultancy division. Candidates should be interested in developing their management skills and problems solving ability and must have a positive desire to pursue a career in finance. A degree in a relevant discipline from a UK university would be useful but not essential. You should be able to demonstrate a broad appreciation of corporate treasury area and should be aged over 28. For further details call:
Robert Milne, 01-439 4381
Portman Recruitment Services

Accountant

BERMUDA

US\$29,000 p.a.

Tax free

Our principals, a major American insurance group of the highest repute require an ACA, ACCA or ACMA aged 26/35 years for their Bermuda office. Call Chris Stock or Hugh Allen on 01-811 8111 IPS Group (Apt)

QUALIFIED ACCOUNTANT required for Insurance Organisation in the City. Must have 5 years' experience. Accounting experience, preferably in the Insurance Industry. Salary negotiable according to experience. Please telephone 823 8991 initially quoting reference GA 24.

Financial Analyst

S.E. Suffolk

to £12,500

This is an exceptional opportunity to enjoy all the experience and career benefits of working in a major group but without feeling just a cog in the system. Our clients (£15m T/O) are a notably successful part of a world-wide high-technology group with diverse interests which has, for many years, been amongst the world leaders in terms of growth and profitability. Their policy of decentralisation, however, encourages independence and an entrepreneurial outlook at local level. Our clients have a young professional management team who are committed to exploiting their current strengths with particular emphasis on the development of new products and markets. This new appointment has been created to provide financial support to this programme of expansion. The Financial Analyst will report to the

Controller but will also have direct contact with the senior management of other functions, developing formal planning procedures, analysing company and product performance and so contributing directly to company policy. He (or she) will operate in an environment of advanced reporting standards backed by a fully integrated computer system.

Applicants, aged mid 20's, should be numerate graduates, MBA's or qualified accountants/finalists with financial analysis experience in a substantial manufacturing company. They will need to show the potential to reach Controllership status within 2 years. Ref. 1566/FT. Apply to R.A. PHILLIPS, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel. 01-493 0156.

Phillips & Carpenter

Selection Consultants

EUROBONDS

based London

negotiable salary

The continued expansion of our international securities activities has created the need for additional executives to join our Eurobond Sales and Trading desk.

Candidates should have 3-5 years of relevant experience in fixed or floating rate instruments. This must include maintenance and development of client relationships.

Salary is negotiable depending on experience. Generous fringe benefits include attractive mortgage and other loan facilities, medical and life insurance and a non-contributory pension scheme.

Please telephone John King on 01-248 9822 during office hours, or East Horsley (048 65) 4482 in the evenings for further details. All responses will be treated in complete confidence.



Lloyds Bank International

Lloyds Bank International Limited,
40-66 Queen Victoria Street, London EC4P 4EL.

FINANCIAL CONTROLLER

c. £17,000 + car

We are Bush Radio Limited, one of the fastest growing companies in the Consumer Electronics supply industry.

Our business is based on quality products, personal service and high quality technical back-up.

To pursue our planned continued expansion we are seeking to appoint a Financial Controller.

Reporting to the Managing Director (Joint) the successful applicant will be a fully qualified accountant aged between 28 and 35 years with the necessary experience to head a busy computerized accounts department.

Responsibilities also include administration, management accounts and statistics.

Commercial experience is necessary in order that financial reports to the Board are accompanied by interpretive comments.

Write (enclosing C.V.) in complete confidence to:
Clive Bean, Bush Radio Limited,
245 Acton Lane,
NW10 7NR.

BUSH

RETAIL ACCOUNTING SYSTEMS DEVELOPMENT

Our client is a "Blue Chip" retail group with over 120 High Street stores throughout the UK, and is committed to a significant development programme.

MANAGER ASSISTANT to £15,000 + Car to £11,500

A major factor in improving efficiency will be the adoption of sophisticated computer services, and these new roles within the Head Office team are integral to the overall successful implementation. Retail experience is preferred but full consideration will be given to qualified accountants with management experience of a like development. Benefits will include relocation assistance. Please call Irene Conroy MA on 01-248 6321

Personnel Resources Limited HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HP.

ACCOUNTANT

Circa £11,500 p.a.

Are you—

- a Qualified, Chartered Accountant;
- around 30 or under;
- experienced in accountancy systems, audit, computers or investment;
- ambitious, decisive and resourceful?

If you meet this criteria then we have a job for you, initially being responsible for certain treasurer functions with the opportunity, for the right person, of succeeding the Financial Accountant within three years.

Apply, in writing, for an application form to:

Mr. J. K. Beckton
Director of Personnel Services
Tees & Hartlepool Port Authority
Queen's Square, Middlesbrough
Cleveland TS2 1AH

The Institute of Chartered Accountants in England & Wales

London around £15,000

A vacancy has arisen within the Technical Directorate of the Institute of Chartered Accountants in England and Wales which offers a challenging opportunity to a high-calibre young accountant who wishes to contribute to the development of accounting standards. The successful applicant will provide support for the newly formed International Sub-Committee of the Accounting Standards Committee and other ASC working parties and will have frequent contact with leading members of the profession and with outside organisations. The experience which this post will provide should give the holder a unique advantage in developing his/her future career. There are also opportunities for promotion within the Institute and for transferring to other sections within the Technical Directorate. Candidates must be qualified accountants (male/female) preferably graduates in their mid/late twenties who are able to demonstrate clarity of thought on technical matters. Candidates with the ability to speak one or more other European languages will have an advantage. Salary will be dependent on age and experience.

Ref. 1264/FT
Apply to R. P. Carpenter, FCA, FCMA
ACTS, 2-5 Old Bond Street
London W1X 3TB
Tel. 01-493 0156

Phillips & Carpenter
Selection Consultants

Accountancy Appointments

Finance Director

Nottingham area
to £17,500+car

The Company, a profitable manufacturer of a highly regarded range of machinery for the mining industry, is part of a well established and substantial UK group. Turnover, which has grown steadily, now exceeds £9m.

Reporting to the Managing Director, responsibility is for the finance function and DP facilities. Initial tasks are to strengthen controls and computerise financial accounting systems. Beyond this, the role offers real involvement in the overall management of the business.

Candidates must be qualified accountants aged over 30, with considerable financial management experience in a manufacturing industry. Significant involvement with job costing and the development of computerised systems would also be desirable. Personal qualities must include a determined but agreeable personality, together with a high degree of business acumen.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Kevin Rotherham, quoting reference 1155/FT on both envelope and letter.

**Deloitte
Haskins + Sells**
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

New opportunity in major group...

HEAD OF INTERNAL AUDIT

Bristol £18,000-c.£20,000 + car & benefits.

This appointment offers an ideal opportunity to establish and manage the internal audit function of an international group, itself a subsidiary of a major multinational concern.

Reporting directly to the Chairman the successful applicant will be responsible for designing and implementing a broadly based internal audit programme which will examine and evaluate the adequacy, effectiveness, and economy of the group's systems of management control.

The successful candidate will probably be a numerate graduate, aged between 33-40 years, who will have had a minimum of five years managerial experience in a large manufacturing company's Internal Audit Department. An accounting qualification would be useful but is not mandatory. The ability to communicate effectively both orally and in writing, and at all levels, is essential. The post will involve regular travel in the U.K. as well as occasional overseas visits.

Written applications containing career details should be forwarded, in confidence, to Robert N. Collier at our London address quoting reference 3923.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

**DOUGLAS
LLAMBIAS**
Douglas Llammbias Associates Limited
Accountancy & Management
Recruitment Consultants



GUIDE TO ACCOUNTANCY RECRUITMENT CONSULTANTS

On Thursday, 3rd March 1985, the Financial Times proposes to publish a recruitment feature for newly qualified Chartered Accountants to coincide with publication of the list of successful candidates in the Institute of Chartered Accountants Part II examination.

As part of this feature we will be including a comprehensive guide to recruitment consultants serving the accountancy sector. Entries, which will include company name, address and telephone number, will be charged at £45. Additional information can be included at £10 per line.

To book space or for further information call:
FRANCIS PHILLIPS
on 01-248 4782

Top level consultancy in financial services

mainly London, c. £20,000 + car



We are looking for qualified graduate accountants aged between 30 and 34 with drive, ambition and a record of commercial success, to take up senior positions in our expanding financial services group.

You will use your experience and knowledge to advise clients in the financial sector (banking, insurance, investment) on key business issues and opportunities facing the financial community. Although useful, a specialised knowledge of the sector is less important than a sound commercial background and an ability to recognise the needs of senior management.

Interested applicants should write to the Executive Selection Division quoting Ref. 25/2 and enclosing a résumé and a daytime telephone number.

**Coopers
& Lybrand
associates**

Coopers & Lybrand Associates Limited
management consultants

Fleetway House, 25 Farringdon Street,
London EC4A 4AQ.

Special Projects Accounting with IAL means you're bound to go far.

When we say 'go far', we're referring not only to the effect this experience will have on your future financial career, but also to the international dimensions of the post.

Because you'll be joining a team of accountants who are specifically responsible for handling special projects arising both within the UK and right throughout our multi-million pound operations in communications, aviation and technical services which stretch across Europe, the Middle East and the Far East.

Projects that will appeal to a qualified accountant who positively thrives on variety — embracing as they do a range of disciplines and objectives including stock control and valuation, capital budgets and approvals and examination of computerised accounting systems.

Based at our Head Office near Heathrow, this team performs vital support and troubleshooting roles when and wherever

required in branches, subsidiaries and associates throughout the world, so it goes without saying that you'll have plenty of travelling, often at short notice.

We see the job going to a highly motivated and energetic man or woman in their mid to late twenties, a qualified member of a recognised accounting institute, with sound knowledge of computer systems and the ability to produce Management and Financial accounts from both manual and computerised records.

In return for your versatility and involvement, you'll be rewarded with a salary starting at £11,000, a very attractive benefits package and the prospect of really new experiences and challenges.

Please phone or write with a detailed C.V. to: The Senior Recruitment Officer, IAL, Aeradio House, Hayes Road, Southall, Middlesex UB2 5NJ. Tel: 01-574 5134. Please quote Ref. K021.



THE HIGH TECHNOLOGY TASK FORCE
MEDICAL SERVICES
COMMUNICATIONS SYSTEMS
COMPUTER SYSTEMS AND SERVICES
AVIATION SYSTEMS AND SERVICES-WORLDWIDE

Qualified Accountants for financial systems development

Outstanding career opportunities
in the oil industry

As a major division of an internationally successful US Corporation, Marathon Oil UK is the fastest growing oil production company in the North Sea. Our expansion has been dramatic and our investment massive, and we are now ready to bring our Brae Field development on-stream this year.

We are committed to the extensive use of sophisticated management information systems and we now wish to strengthen the systems accounting function within our highly professional corporate accounting team by appointing three key people.

Our need is for young qualified Accountants (ACA, ACCA or AICMA) who can demonstrate an appreciation of the use of computerised systems to produce immediate and accurate financial information.

At Marathon, the Systems Accounting function provides an essential interface between the Accounting and Computer functions, so the proven ability to assist in developing and implementing new and enhanced systems is an essential requirement. Current systems, under development are a new budget system, an on-line accounts payable system and a second generation on-line financial system to incorporate purchasing, payables, cost and financial analysis and reporting.

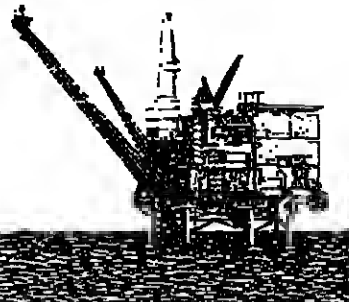
These career positions are recognised as prime entry points for our talented managers of the future. They provide a unique exposure to both the company's activities and the latest technology so future career prospects are outstanding for the successful men and women.

Starting salaries will be very competitive and you'll enjoy an excellent benefits package which includes subsidised BUPA and a valuable non-contributory pension scheme.

To arrange an early interview, please write with full personal and career details, or telephone for an application form to:



David Payne, Recruitment Co-ordinator,
Marathon International
Petroleum (GB) Ltd,
Marathon House,
174 Marylebone Road,
London NW1 5AT.
Tel: 01-486 0222.



GROUP FINANCIAL CONTROLLER

North East to £15,000+car

A substantial privately controlled group in the retail trade with sites in three large towns in the North East wishes to strengthen further its management team by appointing a Group Financial Controller responsible to the Group Managing Director.

The main function will be to assume responsibility for the provision of management information, for the development of improved budgetary control and cash management, for enhancing the group's use of computers and for introducing corporate planning.

Candidates, preferably in their thirties, must be professionally qualified and have appreciable experience of operating at a senior level in a fast-moving, retail-based operation using sophisticated controls. The salary is negotiable to £15,000 p.a. plus car and other benefits; there are promotion prospects in the medium term.

Applicants should write in confidence with full details of previous experience and current salary quoting reference H1823 to John Hills at

Hodgson Harris & Associates
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

Management Accountant

London Upto £17,000 p.a. + car + profit sharing

Tek Translation and International Print Limited is the world leader in the translation and production of technical publications and books for major exporters and international publishers. Tek is a small, dynamic company which is expanding rapidly in the U.K., Europe, USA and Far East.

This growth has created a challenging opportunity for a Management Accountant whose initial objective will be to review the efficiency and cost effectiveness of all company activities. Reporting to the Managing Director as a member of the senior management team, you will be co-ordinating the activities of the Heads of the Marketing, Translation, Production and Accounts departments. Your responsibilities will include financial management of large company projects and an appraisal of overseas activities.

Aged 28 to 38, you must possess a suitable professional accountancy qualification and preferably will have experience in a decision making capacity within a service industry.

A generous rewards package includes a salary of £15,000 - £17,000 p.a., dependent on age/experience, a profit sharing scheme and company car.

Send full cv to Lew Osarow,
PER, 4-5 Grosvenor Place,
London
SW1X 7BS.

PER Executive
Selection

GROUP ACCOUNTANT

A Somerset based group of companies trading internationally requires a qualified accountant (age 30+) for the position of Group Accountant. Group activities are primarily manufacturing and contracting within the construction industry and knowledge of the industry would be an advantage. The position reports directly to the Board and involves total responsibility for all aspects of accounting within the Group. Attractive remuneration package including car.

Please apply with detailed cv to:
Company Secretary
PYROK HOLDINGS LTD
Brue Way, Walrow, Highbridge
Somerset TA8 4AW



Financial Accountant

Birmingham c.£13K+ substantial benefits

Our client is a major UK financial institution with international interests. Expansion of the financial control section of the Overseas Division has given rise to a new position for a financial accountant based at Birmingham.

Initial responsibilities will include the preparation of regular financial and management accounts, the monitoring of the Division's operating expenses and an involvement in the development of a major new computerised accounting system, as well as undertaking ad hoc projects.

Candidates, aged 25 to 28, must be chartered or certified accountants with a minimum of two years post-qualifying experience including preparation of complex financial systems. A good working knowledge of computer applications and systems would be useful, and a high level of interpersonal and communicative skills is essential.

Our client is offering an exciting and demanding job with considerable long term career prospects and an exceptionally generous package of financial benefits.

Candidates, male or female, should write for a personal history form to Alan Clumour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 8SZ. Please quote reference MCS/9010.

**Price
Waterhouse
Associates**

FINANCE MANAGER

25 - 30 London WC2 up to £16,000

A young dynamic service company related to the entertainment and sports industries provides fully automated ticketing and related accounting systems. These systems are already in operation in Europe, Canada and the United States; the newly established UK company has exciting prospects.

They require a Finance Manager who will report to the General Manager and be responsible for the complete accounting function including:

- the operation and further development of a modern accounting system
- the production of monthly and annual accounts
- the preparation of annual plan and longer term forecasting
- the development and operation of budgetary control systems
- cash management

Candidates should be aged between 25 and 30 and must be qualified accountants and have had some years experience in a service industry. This is a challenging appointment and there are prospects of promotion to Financial Director within 12 months.

Salary is negotiable to £16,000. Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref. 2054 to W. L. Tat.

Touche Ross & Co. Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.
A member of the Management Consultants Association.

Accountancy Appointments

ASSISTANT TREASURER

WEST LAMBETH HEALTH AUTHORITY

TRUST FUNDS

Scale 27 £13,397 to £16,809 inclusive

Applications are invited for the above post from suitably qualified accountants. Relevant experience either in the public service or charitable/trust funds accounting would be an advantage. The successful applicant will be responsible to the Treasurer for the provision of modern accountancy and financial services of the Trust Funds administered by the Special Trustees of St Thomas' Hospital.

He/she will be responsible for a department consisting of eight support staff. As a senior member of the Treasurer's staff the appointee will provide an input to general management and be a member of the financial management team.

Job description and application forms are obtainable from our Personnel Department, St Thomas' Hospital, London, SE1. Tel: 01-928 9292 Ext. 2422.

Closing date for applications is 4th March, 1983.

Financial director

N West, c£22,000 + car



Responsible to the Chairman of a major division of a well known Group. The division is a decentralised consumer products business with largely autonomous subsidiaries and is an important part of the Group's development plans.

The main tasks will be to provide the Chairman and Board with the financial evaluations and controls needed to develop the business and to participate fully as a director in the running of the division.

Experience at unit level and at the centre of a decentralised group in FMCG or retailing together with recent acquisition experience are important requirements. Career opportunities are excellent.

Resumes including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R134.

Coopers
& Lybrand
associates

Coopers & Lybrand Associates Limited
management consultants

St James's House, Charlotte Street
Manchester M1 4DZ

FINANCIAL DIRECTOR

Entrepreneurial Financial Company

Salary c. £25,000

The company is a well respected market leader. Although small in numbers of staff and autonomous, it is a subsidiary of one of the largest and most prestigious financial institutions.

Your task would be to provide an effective financial viewpoint to a small marketing orientated management team, to challenge current practices and to initiate new ideas. Other key tasks include exercising tight control over sizeable DP expenditure.

You need to be a Chartered Accountant who has run successfully an accounts department in a sales orientated company in industry or in the City. As important, you must be ready to be a full Board member with the minimum lead-in period.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, Consultant to the Group.

Business Development Consultants (International) Ltd
63 Mansell Street
London E1 6AN



NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

THURSDAY
3rd MARCH, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, 3rd March 1983, which will also contain several pages of advertisements under the heading of 'Newly Qualified Accountancy Appointments'. Advertising rates will be £1.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly qualified accountants, especially Chartered, are ever easy to recruit — don't miss this opportunity!

For further details
please telephone
01-248 4782 or 01-236 9763

Recently qualified to join a leading money broker . . .

FINANCIAL CONTROLLER

City

£15,000 + car

Our client, a publicly quoted U.K. group, have offices throughout the world's most important financial centres. Operating within the demanding and exciting environment of international money broking, they have established an excellent reputation and have a long history of successful trading.

They now wish to recruit a qualified accountant to take responsibility for the total accounting function and systems development within their London office.

The company has installed some of the most sophisticated micro-processor based telecommunications systems available. Consequently it is essential that candidates have a sound knowledge of and an interest in computer based systems.

Candidates should be qualified accountants aged 27+ with at least two years post qualification experience gained outside public practice preferably within a financial institution. The successful candidate will need to demonstrate a high level of technical knowledge and personal qualities including the ability to communicate and organise effectively. Applications should be sent to Richard Norman FCA at our London address quoting reference 3912.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS
LLAMBIAS
Douglas Llambras Associates Limited
Accountancy & Management
Recruitment Consultants



Finance Director

Drybrough & Company Limited, a Scottish based subsidiary of a major brewing group, requires a dynamic and imaginative Finance Director. The Group's management style allows considerable delegation to its subsidiaries.

The Finance Director will make a significant contribution to the continuation of the Company's profitable growth by adding value to the decision making process. He will also lead the finance function through a period of great change.

The successful candidate is likely to be mid thirties with a good education and should be an Accountant or MBA. He will have been at or close to board level where his commercial judgement as well as financial knowledge has been demonstrated. He must have experience of sophisticated financial systems and modern financial technique in a demanding environment.

Salary, car, fringe benefits and generous relocation package reflect the importance of this senior position.

Applications, including full CV, should be forwarded to:
B. G. Wylie, Personnel Director.



**Drybrough
& Co Ltd**

The Brewery, Craigmillar, Edinburgh EH16 4AT.

FINANCIAL CONTROLLER

(DIRECTOR DESIGNATE)

Bromley, Kent to £18,000 plus car

Our client requires a dynamic, ambitious chartered accountant aged 33-40 and with experience within a service industry. Candidates should have good computerisation experience and be living in SE London or Kent at present. You should also be looking for a senior position within a small but growing group engaged in a variety of service activities. Applicants who feel that they meet the above requirements should contact Graham Palfrey-Smith.

Badenoch & Clark

4 New Bridge Street, London EC4
Telephone: 01-353 7722/1867

Finance Director

Essex

to £18K + Car

A British multinational organisation is seeking a Finance Director for one of its major subsidiaries. The company is an independent manufacturing unit with sales of over £30 million, and a major influence in its product market. It is currently involved in major restructuring with the aim of introducing new product ranges to meet changing demand.

Reporting to the M.D., and constituting part of the Executive team, this role carries responsibility for providing comprehensive financial control information through the effective deployment of all accounting systems. The finance division — which has a staff of 60 — also incorporates the Data Processing, Purchasing and Company Secretarial functions. A crucial part of the job is active contribution to all major company executive decisions.

Candidates should be qualified accountants preferably with costing and sales accounting experience, and with the demonstrable ability to manage experienced and qualified staff. An essential requirement is the capacity to understand non-financial perspectives in helping to formulate company policy.

Membership of an international group enables the company to offer good promotion prospects either vertically within Finance, or to general management. The generous benefits provided are in line with accepted good company practice.

Please apply in confidence, quoting Ref. 014/1 to S. C. Mackay.

Charles Barker

MANAGEMENT SELECTION INTERNATIONAL LTD.

30 Farringdon Street, London EC4A 4EA. Telephone 01-236 0588.

MANAGEMENT SELECTION — EXECUTIVE SEARCH

INBUCON

Finance Director

City of London

£30-40,000 Package

Our client is a major investment management company in the City with substantial funds under management and an outstanding record of growth and profitability.

The requirement is for a Finance Director who has the skills, experience and personal attributes to exercise corporate control of finance and administration and to contribute, as a member of the main board, to the future development of this progressive company.

Candidates are likely to be aged 35-45 and must be chartered accountants. Previous involvement in the City will be a considerable advantage. They must be able to demonstrate extensive experience of financial control in one or more established organisations.

Salary is unlikely to be an obstacle for an ideal candidate. The remuneration package includes a salary of c.£30,000 plus profit participation. A car will be provided and the pension scheme is non-contributory. Please write with full details of career and experience to A. J. Edmondson, quoting reference 3981.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Knightsbridge House, 197 Knightsbridge, London SW7 1RN

Management Opportunity

Corporate Audit

Central/Southern England c.£14,000+ Co. car

Our client, a multi-national high technology corporation, is a world leader in telecommunication systems.

A large number of main frames and mini computers are used throughout the business and are fully accepted as an important tool of management. The internal audit unit, which is part of the corporate staff, has a wide ranging responsibility to the Executive Management Committee to report on the quality and suitability of business control systems.

Candidates who will probably, but not necessarily, be qualified accountants, should have at least 2 years' senior auditing experience in the profession or the internal unit of a major corporation.

In addition, candidates should be able to demonstrate successful line responsibility for an accounting department because this position is seen as an assignment prior to taking up a management appointment in one of the subsidiary companies. Salary is negotiable, there is an attractive relocation scheme where appropriate, and a large company benefit package.

In the first instance, contact
Bruce Crammond on 01-631 4184
or write to:

A & A Consultants (Holding) Limited,
International Management &
Recruitment,
10 Little Portland Street,
London W1N 5DF.



Manager-Customer Accounting

WEMBLEY, MIDDLESEX

c. £21,000+car

North Thames Gas are looking for a special person for the challenging job of Customer Accounting Manager. This position carries responsibility for the operation of the Region's meter reading programme covering nearly two million customers, and for the subsequent prompt billing and collection of all income of about £750m per annum on a cost-effective basis. The Region — a part of British Gas — takes in an area from High Wycombe, through Central London to Southend.

The successful candidate will be a manager with a successful track record and proven ability to take on this senior role with its responsibility for over 1500 staff employed in meter reading, coin collection and the running of very advanced computer based systems within very tight deadlines. A professional qualification in accounting or allied subject would be an advantage but the prime requirement is managerial ability.

Applications from suitably experienced men or women should be addressed to: The Director of Personnel, North Thames Gas, North Thames House, London Road, Staines, Middlesex. Tel: Staines 61666 ext 3282. Please quote reference H0203/ FT

NORTH THAMES GAS



International Appointments

Managing Director

Contracting Saudi Arabia

This international group, a leader in its specialised field, is seeking through this appointment to realise the considerable potential which exists for it throughout the Middle East.

The appointed candidate will be profit accountable for a young but firmly established company which currently undertakes contracts principally for the petrochemical and heavy structural industries.

A general manager with a successful record in profit and business development within the contracting or related field is required. Middle East experience preferred.

Initial salary for discussion over £30,000 free of local tax; bonus; free furnished accommodation; car; education allowances; generous UK leave; pension; medical cover.

Please write—in confidence—with full personal and career details to G. E. Howard ref. B.1175/1.

MSL middle east
مستشارون في الشرق الأوسط
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

NON-FERROUS METALS MARKETS INTERNATIONAL MARKETING STRATEGY FRENCH-SPEAKING AFRICA

A major company in the mining industry is seeking to define a new commercial strategy for marketing non-ferrous metal products. The company seeks a mining engineer with commercial training and with experience in marketing in a senior position, gained in a mining company, or a trading or commodity broking company.

The candidate, aged at least 40, will be able

to demonstrate an in-depth knowledge of the mining business, the markets for non-ferrous metals (both on the London and Chicago exchanges), as well as a detailed knowledge of the procedures of raw materials marketing. Fluent French, English, and some Spanish are essential.

The position, based in French-speaking Africa, will entail worldwide travel.

This position is being handled by a consultant from our Paris office, who will provide further confidential information during the course of an interview, which will be held in London. Candidates should, in the first instance, send hand-written applications with a detailed C.V. and photograph for the attention of:-

Nicholas Mesquita, Cegos Management Development Limited
Sindair House, The Avenue, London, W13 8NT, Tel. 01-998 7733
*Quote reference number 5004

CEGOS MANAGEMENT DEVELOPMENT LIMITED.

Offices in: Paris, Brussels, Milan, Madrid, Lisbon, New York, Beirut, Tunis, Helsinki, Sao Paulo, Abidjan.

Bergen Bank International S.A.,
Luxembourg seeks

Managing Director

The present Managing Director will be returning to his motherbank as his period of assignment to the BEI expires, ultimo 1983. To fill this interesting and challenging position, his successor should be a competent banker with solid experience in international banking. Considerable emphasis will be put on personal qualities such as leadership ability and a cooperative attitude. Business is conducted in English, but some mastery of French and German will be considered advantageous. The period of assignment should be no shorter than 5 years.

Further information is obtainable from Managing Director Tore Smith Jørgensen, Bergen Bank International S.A., Luxembourg, phone (+352) 24 681, or from Deputy General Manager Tor Brekke, Bergen Bank A/S, Oslo, Norway, phone (+47 2) 40 05 50.

Applications should be sent to the Chairman of the Board, Managing Director Finn B. Henriksen, Bergen Bank A/S, p.o. box 286, N-5001 Bergen, Norway by March 1, 1983.

BERGEN BANK
INTERNATIONAL SA
LUXEMBOURG

BEI SA is an international bank, owned jointly by Bergen Bank A/S, Føroyabank A/S and Bæresbank A/S, holding 65 pct, 25 pct and 10 pct respectively. Total liabilities and capital amount to GBP 320 million, and the present number of employees is 17.

BACHE HALSEY STUART (MONACO) INC.

Seeks Account Executives with established clientele. Direct lines to London and U.S.A. Numerous financial advantages. Pleasant offices in ideal Mediterranean location.

Contact:
T. Van Esche, Manager,
BACHE HALSEY STUART,
Sporting d'Alver,
Monte Carlo (Monaco).
Telephone: (93) 50 71 71

SAUDI ARABIA

Multinational Belgian-based company seeks immediately a Commercially Orientated

RESIDENT

ELECTRICAL ENGINEER Experienced in transformers and/or power systems, fluent in English and preferably also in Arabic. Good salary, free accommodation. Two-year contract subject to extension if mission carried out successfully. Previous work experience in Saudi and with power utilities will be an asset.

Send application with full qualifications, previous employment and responsibilities held to ACEE LONDON Mr. R. Quastart 26-27 Piccadilly, London W1V 0PL

IMPORTANT GROUPE INDUSTRIEL INTERNATIONAL EQUIPEMENTS - AUTOMOBILE

recherche pour PARIS

DIRECTEUR ADMINISTRATIF ET FINANCIER

Il devra:

- assumer l'ensemble de la responsabilité financière et administrative des établissements français.
- rendre compte mensuellement des résultats à la Direction européenne du groupe international.
- achever la mise en place des procédures américaines de gestion au niveau de chacune des unités de production, et les faire fonctionner.
- stabiliser et contrôler les budgets au plan global et au niveau de chaque usine.
- superviser la comptabilité et l'informatique.

Il aura:

- une très solide formation générale de base, si possible: technicien supérieur ou ingénieur ayant fait ICG ou équivalent.
- une parfaite maîtrise de toutes les techniques modernes de gestion anglo-saxonnes et françaises.
- une expérience concrète de l'implantation et du fonctionnement de la comptabilité et de la gestion dans les usines; avoir commencé ainsi sa carrière serait très souhaitable.
- une pratique absolument courante de l'anglais et du français.
- une puissance de travail et un dynamisme à toute épreuve.

TRES BELLES PERSPECTIVES D'AVENIR

Envoyer CV détaillé, lettre manuscrite, photo récente et prétensions au Département Recrutement du COMES 19 rue de la Paix 75002 Paris (sous référence 2482) DISCRETION ET REPONSE ASSUREES.

Accountant for Saudi Arabia

£16,334 plus benefits

HCA International Ltd are recruiting personnel to staff the SAUDI ARABIAN NATIONAL GUARD HOSPITAL, Riyadh. This new 500 bed hospital, one of the most advanced and well equipped in Saudi Arabia, is to provide acute care for Saudi Arabian National Guard personnel and their dependents.

Applicants must have A.C.A. or A.C.C.A. qualifications and a total of 5 years accounting experience, with at least 2 of these being post qualification. This position is open to either single or married status applicants.

- Benefits include:
- 2 year renewable contracts
 - Air passages
 - Furnished accommodation
 - End of contract bonus
 - 50 days leave per year
 - Excellent facilities for sport and recreation
 - Married status only - Educational assistance for eligible dependents

*Salaries are paid in Saudi Riyals. The exchange rate at the time of going to press: 5.6 Riyals to the £.

If you hold a U.K. passport please apply in writing with full details of qualifications and experience to:
Carmel McKenna
HCA International Ltd
49 Wigmore Street
London W1H 9LE
Employment agency
reg. no. SE149699

HCA International Ltd

TOP JOBS WORLDWIDE

For the past ten years the EXECUTIVE EMPLOYMENT BULLETIN has helped executives find top international positions. Mailed at the beginning of every week, it contains advertisements for over 60 senior management positions reproduced verbatim from leading European and U.S. publications and direct sources.

Subscription rates:	10 weeks	25 weeks	50 weeks
UK (1st Class)	£18.00	£36.00	£63.00
Elsewhere (Airmail)	£42.00	£84.00	£146.00

To: Executive Employment Bulletin, Dept. J12, PO Box 169, Maidenhead, Berkshire SL6 1BQ, England

Please send me the Executive Employment Bulletin for weeks.

I enclose my cheque for £..... Please charge my

Others Club ☐ Access ☐ Eurocard ☐ American Express ☐

Card No. Exp. Date

NAME

ADDRESS



PUBLIC SERVICES INTERNATIONAL

(PSI) an international trade union organisation representing over nine million public service workers is seeking:—

SECRETARY FOR FINANCE AND ADMINISTRATION

The successful applicant will be the senior member of the management team with special responsibility for:

- maintaining an efficient administrative organisation
- the financial conduct of the PSI
- contributing to the development of policy

The post becomes vacant upon the relocation to the Geneva area and some foreign travel may be required.

Demonstrated experience of a substantial and relevant nature together with a commitment to the principles of the international free trade union movement will be of prime advantage.

Duties to commence from July 1983 or earlier at a salary and terms to be negotiated.

Fuller details and application form on request for submission before the

18th March 1983 from:

The General Secretary,
PUBLIC SERVICES INTERNATIONAL,
Central Way, Feltham, Middx, Great Britain
or telephone 44.1.751.0162

Senior Sales Executives

Banking Systems

Bahrain Based £30,000+ (tax free)

ARBAT

Bahrain is a stable and progressive State with—for the greater part of the year—a pleasant maritime climate. Social conditions are excellent and free from irksome restrictions. A major Gulf trading centre, it has a growing range of industries, the foremost of these being banking and finance.

ARBAT "The Banking Systems People" offer a complete range of banking and telecommunications computing capabilities based on the latest Digital Equipment Corporation (DEC) technology and are recognised as being the world leader in their field.

For these two key appointments good banking experience is essential. In addition, you should either be able to prove a successful track record in sales of major systems (hardware and/or software) to banks or have a background in the operational or marketing functions of banking itself, with a good understanding of computers.

The terms and conditions of employment are excellent, providing the best aspects of a top level sales appointment and expatriate status (married or single), enabling you to enjoy a very high standard of living and the opportunity for substantial accumulation of capital.

In addition to a basic salary (tax free) of c. £18,000, you will be provided with housing, utilities, a car, medical facilities and full cover, four weeks' holiday and one return air ticket home per annum.

To apply please write to M. J. R. Chapman, quoting reference 6232.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

Deputy General Manager Commodity Trading

Dubai (U.A.E.)

c.U.S. \$35,000 Tax Free

Al-Futtaim Group of Companies (one of the largest in the Gulf) with interests in trading, industries, construction, engineering, real estate, insurance, banking and various joint ventures has an opening for a Deputy General Manager for the Commodities Division based in Dubai and dealing principally in Metals and Soft Commodities basically on a non-speculative basis.

Candidates preferably Graduates in Commerce, Economics or Business Administration, should have a proven track record of conducting large international trading operations in relevant commodities. They should also be experienced in economical purchasing from reliable sources of supply and able to Middle East, African and Asian markets. They must possess negotiating skills and management capability to ensure profitable operations.

Candidates should be aged preferably between 35-40 years with at least 10 years

trading experience in commodities like edible oils, grains, cattle feed, fertilisers, chemicals and metals. They must have excellent contacts with both buyers and sources of supply in at least some of these major commodities. In addition, they should have good working knowledge of ancillary functions, such as shipping, freight, insurance, business finance and banking.

In addition to the salary mentioned above, the position carries excellent fringe benefits, including free furnished air-conditioned accommodation, annual air fare for self and family, service gratuity etc. Those interested should apply within 15 days quoting 1/8SD and giving full details of qualifications, experience, present salary and a recent passport size photograph indicating contact address and telephone number to:-

Recruitment Department, Al-Futtaim Industries (Private) Limited, P.O. Box 152, Dubai, U.A.E.

Securities Trader

KUWAIT

c.U.S. \$30,000 Tax Free

A leading Middle Eastern Bank with substantial international activities and a record of continued growth, both domestically and overseas, is increasing its activities in the capital markets and requires a Securities Trader who must:

- have an established record in the capital markets
- have had at least three years' trading experience
- have specific experience in trading floating rate notes and U.S. dollar or yen convertibles.

Primary responsibility will be to formulate and implement the Bank's securities trading, sales and distribution strategies.

The position offers challenge and significant opportunity for career and financial progression within a highly professional and dynamic banking environment. Initially the position will be located in Kuwait with the possibility of relocation to London upon completion of the initial contract term of three years. Salaries are payable free of local taxes in Kuwait and other benefits are attractive.

Candidates should write in confidence to:

Box A8080, The Financial Times, 10 Cannon Street, London EC4P 4BY.

REPUBLIC OF TRINIDAD AND TOBAGO THE NATIONAL INSURANCE PROPERTY DEVELOPMENT COMPANY LIMITED

Invites Applications For The Position of GENERAL MANAGER

MINIMUM EDUCATIONAL REQUIREMENTS:
A degree in Civil or Structural Engineering, Architecture or Quantity Surveying, with membership in one of the recognised professional bodies associated with building construction.

MINIMUM EXPERIENCE:
At least seven (7) years' experience in the field of Project Management and/or wide experience in the building industry in a senior managerial capacity.

FUNCTIONS:
To consult with clients, government authorities and own management (comprising of other disciplines) in order to obtain appropriate brief and secure approval of plans.

In collaboration with other top management personnel to undertake research and design and to provide advice on land development and on structures, such as large buildings and to plan, organise and supervise their construction, maintenance and repair.

In consultation with other specialists, such as mechanical and electrical engineers, buildings and landscape architect, land and quantity surveyors, to prepare designs and cost estimates, workshop plans and specifications, indicating types of materials, earthwork, hoisting and other equipment required.

To prepare phased programmes and work schedules and to direct operations as work proceeds.
To negotiate critical and controversial issues with top level engineers, and personnel of the other organisations and companies.

Accountable to the Board of Directors of NIPDEC for all aspects of the company.

Nationality of T&T are especially invited to apply. Please observe that applications must reach the Administrative Manager of NIPDEC no later than the 28th February, 1983.

SALARY & OTHER CONDITIONS OF EMPLOYMENT:
Negotiable and dependent on education and work experience (including innovative ability).

APPLICATIONS SHOULD BE MADE TO:
The Administrative Manager
National Insurance Property Development Co Ltd
56-60 St Vincent Street, Port of Spain
Trinidad, West Indies
or
Head, Consular Division, T&T High Commission
42 Belgrave Square, London SW1X 8NT
Tel: 01-245 9351

TECHNOLOGY

UK BREAKTHROUGH IN MACHINE TOOLING

New twist for tungsten carbide

BY MAX COMMANDER

HOW TO TWIST tungsten carbide tips for CNC machine tools has posed problems for some years. Now, Marwin Cutting Tools of Leicestershire, the founder member of the £16m turnover Marwin Group with extensive engineering interests in the Midlands, has joined with Aston University and Birmingham University to market what will prove a machine tool breakthrough for the depressed West Midlands.

Marwin has recently perfected a system to twist the carbide tungsten tips for machine cutting tools to such an extent that it will be possible to remove metal faster in a better way and with a longer tool life than any previous cutting tools.

Bonding

Aston and Birmingham Universities have recently received grants from the Science and Engineering Research Council of £182,000 to develop the system further. About £80,000 goes to the University of Aston for work on the optimisation of the tool geometry for end milling and hole producing operations.

The extra part of the SERC grant goes to Birmingham University (it is worth about £65,000) to carry out work on adhesive bonding of the carbide inserts into the tool bodies. If Birmingham University work is successful on this project it could eliminate many of the problems which presently arise on brazing the inserts into the tools.

The original work by Marwin—which is thought to offer something better, faster and could last longer than anything previously offered worldwide, Aston's Department of Production Engineering recruited a special team to help to determine the best way of production, planning and control of the new range.

Marketplace

Professor Bob Thornley, head of Aston's Department of Production Engineering is a bit shy of the phrase but still believes that the project could be the biggest collaborative effort between British industry and universities.

Sidney Woodford, Marwin's managing director in Leicester, said: "We have a two to three year lead on the competition,

and the joint work with Aston will enable us to get into the marketplace that much sooner."

Sophisticated

Professor Thornley said: "Marwin quickly realised the potential of its technological breakthrough but realised that present methods of production and managerial control techniques were not suitable for a new range of products to be sold in world markets."

But much of the original work was due to Marwin technicians who realised that with the advent of more sophisticated machine tools there was also a market for more sophisticated cutting tools with a much improved performance to enable the machine tools to operate at maximum productivity.

This set off a programme of research which indicated clearly that the main requirement was a series of tungsten carbide

helical fluted tools. This resulted from the obvious limitations of the existing flat blade and straight flute designs.

In the '60s helical tungsten carbide was very expensive to produce; it was inaccurate in shape and limited to a length of about two inches. The Marwin research programme enabled the company to produce accurately former helical tungsten carbide tips without any length restriction.

Established

At present the tips can be produced to any helix angle up to 60° with any diameter from 1/8 in to 8 in any direction of rotation and cut to an accuracy of 4/- 0.02 in per 1 in helical form. Marwin believes that the system is unique and has made possible the introduction of helical tools which were previously impossible.

Although the company's earlier ranges are now well

established, the second phase uses a single piece of fully-sintered tungsten carbide which is twisted to form two complete edges and flutes in one operation.

Woodworking

Marwin claims that productivity increases obtained by its helicon slot drill when measured in metal removal could range between 300 and 800 per cent, with tool life factor to something like the same order. Further developments of the technique are already in hand with possibilities in the woodworking industry.

Marwin Cutting Tools (Sidney Woodford, managing director) is on 0533 303241; Prof Robert Thornley, or one of his Production Engineering Department team, is on 021-359 3611, and the Birmingham University's work on investigating adhesives (Dr M. Sadek) 021-472 1301.

Universities' collaboration

MARWIN CUTTING TOOLS in Rothley, Leicestershire, was the founder member of the Marwin Group and started manufacturing tungsten carbide tipped tools in the mid-1950s. After awards for technical achievement and Design Council Awards, the company has recently perfected and patented the process to twist tungsten carbide machine tool tips which the company believes will be capable of faster metal removal and could provide better cutting life than any previous cutting tools.

The management of Marwin believed that its present methods and managerial control techniques were not adequate to the manufacture of the new products because of the expected growth in the next couple of years and it was felt that a teaching programme could be of value. While Marwin was fully committed to the expansion it felt it might be delayed by the shortage of expertise in the appropriate fields.

Four immediate university pro-

jects have been identified using four associates, but Birmingham and Aston Universities believe that a second application to SERC will be required in about 10 months after the initial work.

The universities have divided the work into several project areas. Project One is designed to deal with cutting tool production where the traditional method of holding tungsten carbide inserts in the cutter bodies is by brazing, but there are problems: such as stress cracking and process reliability. The process is at present labour intensive and relies on the skill of the operator.

Deformation

At present the tungsten carbide inserts are produced by a twisting process which involves deformation at high temperature. The technique is a manual one and requires considerable operator skill. The universities intend to investigate partial automation of the present process to try and meet the anticipated demand.

In the Second Project area an investigation will be made of investment castings and a study to determine the product ranges for which the process is viable. The University of Aston believes that it may be possible to rationalise the product range to achieve greater standardisation in casting design.

Aston University thinks that the proposed increase in the production of Marwin Tools could mean a substantial increase for castings, and while these are presently bought outside, there might be a case for an in-house casting facility.

At the moment patents for the Marwin process have been taken out in the UK, U.S., France, Holland, Switzerland, Italy, Denmark, Israel and South Africa. Exclusive manufacturing rights have been granted to Fansteel, which is a carbide alloy specialist manufacturer in Chicago and similar arrangements are under negotiation with companies in West Germany and Japan.

CIRCUIT BOARDS TOPIC SEETHES WITH CONTROVERSY

Economic alternative for fixing components

BY ELAINE WILLIAMS

FIXING electronic components onto printed circuit boards may sound like a relatively simple procedure but the topic is fairly seething with controversy.

Many techniques have evolved over the years to bond various types of components, from silicon chips, hybrid circuits to resistors and capacitors. The most common and cheapest way is to insert components' leads through holes in printed circuit boards and then solder them to the metal tracks to form the final circuit.

New ways are being developed to meet future needs in the industry and Welwyn Electric, Europe's biggest resistor makers believes that it has come up with an economic alternative.

Dr Peter Kirby, director of research at Welwyn Electric's

subsidiary Welwyn Electronics, announced that the group has filed for two patents on component bonding.

It is based on the combination of flexible printed circuit board and so-called chip carrier technology. Chip carriers are simply a way of packaging silicon chips and other electronic circuits in a leadless or legless form.

As silicon chips grow in complexity so this form of packaging becomes more useful since these packages are more compact than the conventional dual-in-line packages which have metal leads.

Welwyn has simply combined these carriers surface bonded to the flexible printed circuit and sandwiched between a specially designed aluminium heat sink.

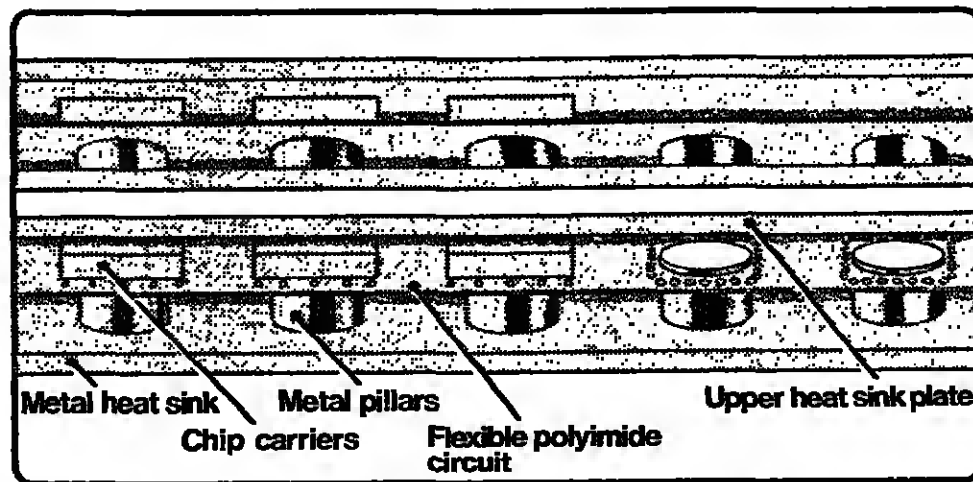
Dr Kirby is hopeful that this will prove to be a low cost way

of using chip carriers in a wide range of industrial telecommunications and defence applications.

Much of the early work on the design has been carried out with the co-operation of British Telecom at Martlesham which is presently evaluating a number of printed circuit board technologies.

Dr Kirby and his team at Welwyn, however, are anxious to press on with the development of the idea and is looking for a number of commercial applications to try out the technology.

But there are many competitive products on the market at various costs. In the UK, Exacta Circuits in Scotland with its ChipState technology is among the rivals, as Dr Kirby admits.



Two or more of the new electronic assemblies from Welwyn Electronics can be stacked together, providing a strong mechanical unit with flexible printed interconnections for chip carriers and other face-bonded devices plus completely separate thermal management through the specially designed heatsink. Patents have been applied for, the company has announced.

Text formatting

Proportional printing

MAGICPRINT is a versatile text formatting program which provides true proportional printing plus many additional text editing features to greatly enhance the appearance of the printed page to the same standard as high-quality books or magazines.

The program can print texts composed by most CP/M-com-

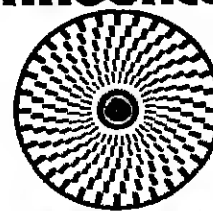
patible word processors including Wordstar, WordMaster, PMATE, Electric Pencil, Peach Text and Proportional printing by allocating character-by-character spacing according to the width of each character. More from Lifeboat Associates, P.O. Box 125 London WC2 (Tel: 01-836 5028).

Generating confidence worldwide.

Specify Markon AC generators for your generating sets.

Telephone: (0572) 3811

A MEMBER OF THE DOCKSON PARK GROUP



MARKON AC generators

MA08-021 ©

INTERNATIONAL APPOINTMENTS

INTERNATIONAL INVESTMENTS ANALYST

Aetna Life & Casualty has an immediate opening for an International Investments Analyst in the Common Stock Department of its Financial Division.

In a challenging, growth-oriented environment, the person selected will evaluate the outlook for various stock markets, currencies and individual securities outside of the U.S.

The successful candidate will have 3-5 years' investment analysis experience, preferably with international investments, background in foreign stock markets; demonstrated analytical and writing skills; and an MBA or CFA. Some foreign travel is required. Proficiency in foreign languages highly desirable.

Aetna offers a competitive salary commensurate with your experience, plus a comprehensive benefits package. Send your resume to William J. Abtshamer, Executive Development, Aetna Life & Casualty, 450 Capitol Avenue, Hartford, CT 06156. USA. An equal opportunity/affirmative action employer.

Aetna

Societe Financiere Du Liban S.A.L.

Directeur General Adjoint

S.F.L. is a newly created financial institution in Lebanon owned by 33 major Lebanese banks whose principal objective is to promote and develop financial markets in Lebanon.

Candidates must have had senior management experience in a major investment banking institution, covering:

- money and capital market operations
- private and public placements
- stockbroking underwriting of issues
- mergers, takeovers.

Candidates, in their late thirties and early forties, should be preferably of Lebanese nationality, with an acceptable academic background.

They should have the ability to organize and manage this organization to attain its objective. The remuneration package will fully reflect the importance of the position. Please write in strictest confidence to P.O. Box 11, 7740 Beirut, Lebanon.

PARIS

Leading U.S. Stockbroker requires:

SALES PERSON

Minimum three to five years' experience. Principal area of coverage is Germany, therefore some knowledge of language required.

Age 23-35

OPERATIONS PERSON

With working knowledge of French and an understanding of U.S. settlements system. Two to three years' minimum experience.

Age 20's

Please reply to Box A.8082, Financial Times 30 Cannon Street, London EC4P 3Y

REQUIRED COMPUTER CENTRE MANAGER

The United Arab Emirates Central Bank wishes to recruit a Computer Manager who will be responsible for:

1. THE ESTABLISHMENT OF A NEW COMPUTER DEPARTMENT
2. THE INSTALLATION OF AN IBM 4331 SYSTEM RUNNING DOS 1 VSE AND CICS
3. THE IMPLEMENTATION OF A BANKING PACKAGE

QUALIFICATION, EXPERIENCE AND REQUIREMENTS

The applicants for this position should have:

- 1) University degree in computer science
- 2) A minimum of 10 years' experience working in various areas of computer departments either as a manager or analyst programmer or in operations
- 3) Banking experience is preferable
- 4) Arab national or of Arab background speaking Arabic is an advantage
- 5) Salary and other benefits are determined in accordance with the qualifications and experience
- 6) Interested applicants should forward their applications and CVs with copies of their documents not later than two weeks from date of publication

PERSONNEL OFFICER, UAE CENTRAL BANK
PO BOX 654, ABU DHABI, UAE

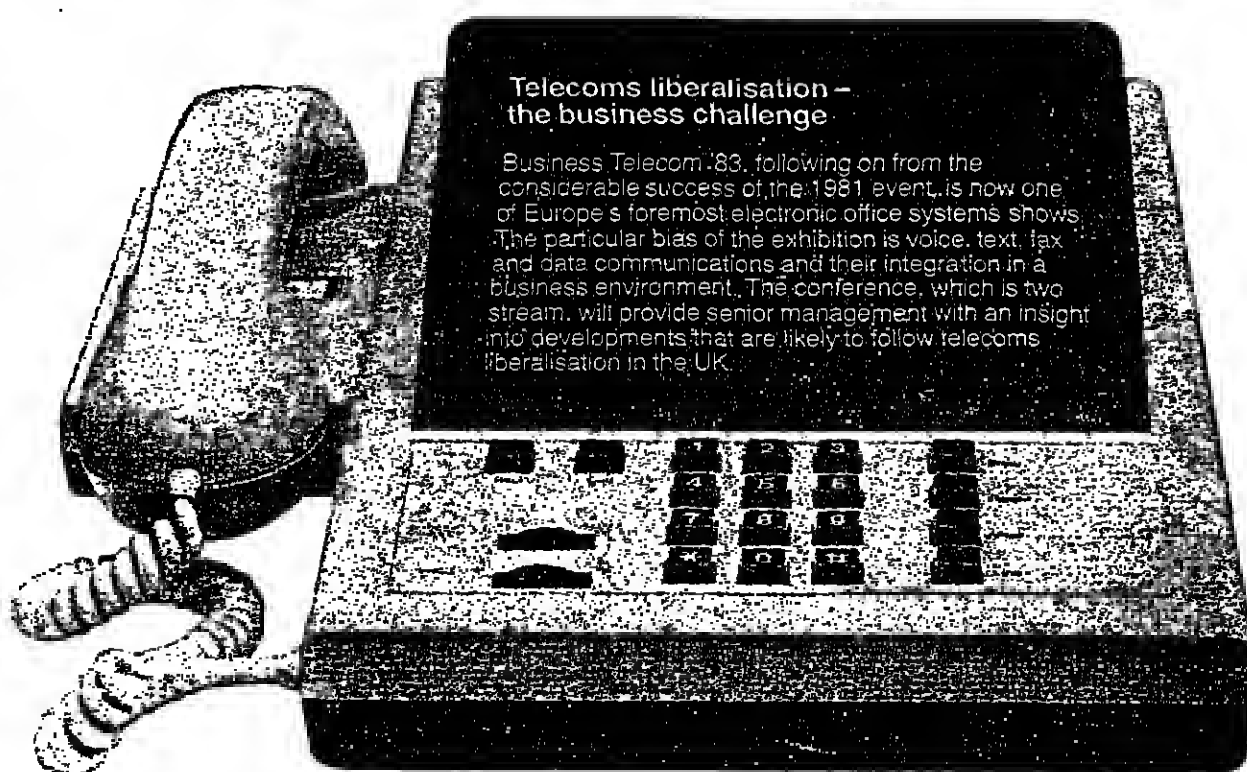
EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide

01-637 7604

Business Telecom

International Conference & Exhibition '83



Telecoms liberalisation - the business challenge

Business Telecom '83, following on from the considerable success of the 1981 event, is now one of Europe's foremost electronic office systems shows. The particular bias of the exhibition is voice, text, fax and data communications and their integration in a business environment. The conference, which is two streams, will provide senior management with an insight into developments that are likely to follow telecoms liberalisation in the UK.

The Conference

The first stream of the conference entitled Strategic Implications examines the political and regulatory environment for telecoms. The second stream, entitled Systems & Service, is concerned with planning issues and presents a review of new telecom product and service offerings. A brochure containing full programme details can be obtained on request.

The Exhibition

The range of equipment and systems on display will make this the most comprehensive telecoms exhibition ever to be seen in the UK - but there is an added attraction for the visitor. The Business Telecom exhibition will utilise one of the two Barbican exhibition halls. The other will be used by Online for 'Computers in the City' - the first of an annual series of exhibitions of computer equipment and systems of

particular interest to the investment community. Visitors and delegates will be able to visit both exhibitions. More than 250 stands have already been booked, so if your organisation wants to take part in this spectacular event telephone (09274) 28211 now. A provisional booking can be made for either exhibition, awaiting your written confirmation, or clip your business card to a corner of this advertisement and return it marked 'B.T. or C.C.', 'Exhibitor' or 'Delegate', and the relevant information will be sent to you.

Online

Online Conferences Ltd., Argyle House, Northwood Hills, Middlesex, HA8 1TS, UK.
Phone: Northwood (09274) 28211 Telex: 923498
Cables: Online Northwood Fax: Northwood 20709

24-26 May 1983 Barbican Centre London

MINING

Bougainville moves back into profit

BY KENNETH MARSTON

THE RIO TINTO-ZINC group's big Bougainville copper-gold operation in Papua New Guinea has returned to profitability in the second half of 1982 following a half-time loss of Kina 14.64m.

Net profits for the full year came out at K11.2m, thus indicating earnings of K25.85m in the second half, which is more than the K22.79m earned in the whole of 1981. A single dividend of 2.5 toea (2.2p) is declared for 1982 compared with a total of 5 toea for 1981.

Lachlan Drummond reports from Sydney that the turnaround reflects higher prices in the second half for gold and silver, coupled with increased output of copper, gold and silver together with lower unit costs.

Average metal prices for all of 1982 were below those for 1981. Copper averaged U.S. 67 cents per pound, its lowest in real terms since the 1930s, compared with 79 cents

in 1981. Gold averaged \$376 per ounce against \$460 while silver averaged \$7.90 per ounce against \$10.50.

Bougainville's 1982 sales of concentrates contained: copper 170,687 tonnes (170,733 tonnes in 1981), gold 17,894 kg (17,224 kg) and silver 43,250 kg (43,667 kg).

Despite the second-half recovery, total earnings for 1982 amounted to a return on shareholders' funds of only 1.9 per cent against 3.9 per cent in 1981. Prospects for the current year, however, are brighter.

There will be a full year's benefit of higher production following the installation of two more ball mills and all three metal prices have improved further. Copper is now around 80 cents with gold at over \$500 and silver above \$10.

Shares of Bougainville rose 3p to 151p in London yesterday. A stake of 53.6 per cent in the company is held by CRA which, in turn, is 57.2 per cent-owned by RTZ.

Utah reports 12% rise in 1982 net profits

BY LACHLAN DRUMMOND IN SYDNEY

AUSTRALIA'S biggest coal exporter, Utah Development Corporation, yesterday reported a 12 per cent rise in net profits for 1982, but painted a gloomy picture of the current year's outlook.

The past 12 months' net profits were AS148.5m (\$24m), against AS132.6m, on slightly higher sales revenue from the coal operations and the one-third interest in the Mount Goodworthy iron ore joint venture.

Profits of this order lie behind Broken Hill Proprietary's plans to take Utah into Australian ownership through a AS2.4bn takeover of the parent company, Utah International, from General Electric of the U.S.

Yesterday's forecast of a poor performance this year could make BHP's plan to live off a large part of its purchase to a consortium of local interests a little more difficult.

Utah said current indications were that there would be no real recovery in demand for roasting iron ore in 1983, and present over-production made big reduction likely in prices for contracts due to be re-negotiated this year.

In this context it is significant that Japanese buyers of coal have already obtained price cuts from U.S. suppliers of between \$12 (2s) and \$15 to about \$53 a tonne.

The company also expects purchasers to attempt to recoup through lower prices the foreign exchange gains which have accrued to Australian producers through the weakness of the Australian dollar against the U.S. currency.

This factor added AS30m to Utah's profits last year, shielding the company from the effects of a 15.4 per cent fall in shipments from the central Queensland mines.

Overall, Utah's share of coal deliveries from the 76.25 per cent-owned Goonyella, Peak Downs, Saraji and Norwich Park mines and the wholly-owned Blackwater was 13.5m tonnes, down from 16m tonnes in 1981.

The company began to cut production in the middle of last year in an effort to reduce mine stockpiles, but has maintained its stocks at the ports to give it maximum marketing flexibility.

Amax opens talks on molybdenum prospect

BY OUR MINING STAFF

THE LEADING FORCE in the world molybdenum business, Amax of the U.S. has opened talks with U.S. Energy Corporation and Crested Butte Silver Mining on the future of the \$1bn (\$500m) Mount Emmons molybdenum prospect in Colorado.

The talks will cover either the purchase by Amax of the other companies' small stakes in the prospect, or a renegotiation of the current royalty agreements, which require Amax to deliver 350,000 pounds of molybdenum to each of the companies.

U.S. Energy and Crested Butte will welcome a renegotiation because the moly they receive is now worth only a fraction of its value in 1980, when the agreement was concluded, while Amax would undoubtedly prefer to be released from what is at present an open-ended commitment.

LADBROKE INDEX
based on F.T. Index
655-660 (-2)
Tel: 01-493 5261

TELEVISION SERVICES INTERNATIONAL PLC

(Registered in England - No. 51522)

Share Capital

Authorised £3,000,000 Issued and Fully Paid £2,204,000
10p each

Particulars giving information with regard to Television Services International PLC are available in the Extra Unlisted Securities Market Service and copies of such particulars may be obtained during usual business hours on any weekday (except Saturdays) up to and including 4th March 1983 from:-

Statham Duff Stoop,
Capital House, 22 City Road, London EC1Y 2AJ.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1982-83	Company	Price	Change	Gross Yield	P/E	Fully Paid
140	Ass. Brit. Ind. Ord.	140	6.4	4.0	8.2	10.7
157	117 Ass. Brit. Ind. Ord.	157	10.0	6.4	8.0	12.7
74	74 Airsprung Group	74	0.1	1.7	8.0	12.7
46	46 Armitage & Rhodes	46	4.3	12.8	3.8	8.7
302	302 Birtcher Holdings	302	11.4	3.8	12.7	10.0
133	133 ECL Typ. Conv. Pmt.	133	19.7	11.8	1.0	1.0
270	270 Gindico Group	270	17.6	7.3	9.7	10.9
86	86 George Holt	86	0.0	11.1	3.6	9.6
82	82 Frank Hovell	82	1.1	7.5	8.8	7.4
81	81 Frank Hovell Pr Ord 87	81	8.7	10.7	6.8	7.3
55	55 George Holt	55	8.4	9.3	3.5	6.7
100	100 Ind. Precision Castings	100	7.2	7.3	9.0	12.3
149	149 Ind. Conv. Pmt.	149	15.7	10.5	1.0	1.0
123	123 J. Jackson Group	123	1.1	7.5	8.8	7.4
185	185 J. Jackson Group	185	9.6	5.2	13.5	15.0
260	260 Robert Jenkins	260	20.0	11.9	1.8	26.7
63	63 Scutcheon "A"	63	5.7	7.8	9.5	11.4
167	167 T. J. Taylor & Co.	167	11.4	10.1	5.1	8.7
29	29 Unilock Holdings	29	6.6	4.6	1.8	2.0
65	65 W. W. Alexander	65	6.6	9.1	5.0	7.2
250	250 W. W. Yeates	250	14.8	5.8	8.0	13.6

Prices now available on Prestel page 48148

UK COMPANY NEWS

Kwik-Fit agrees deal to buy Crest for £5.6m

BY RAY MAUGHAN

KWIK-FIT (Tyres and Exhausts), the largest independent vehicle parts installation business in Europe, has struck an agreed all-equity deal to buy Crest International Securities for about £5.6m.

Terms of the offer will be three Kwik-Fit shares, priced yesterday at 50p each after a 3p fall, for every 10 Crest shares, which rose 3p to 134p. Crest is expected to disclose net asset of £4.4m at the end of 1982.

Mr Alex Stenson, Mr Tom Farmer and Mr E. Landau are directors of both companies and have not participated in any of the decisions by Kwik-Fit.

They have, however, undertaken irrevocably to pledge acceptances in respect of their 32.2 per cent holding which, with the acceptances of the independent Crest directors, brings the level of acceptances thus far up to 34.1 per cent.

Crest, which is quoted on the unlisted securities market, had been talking to Howard Tenens, the distribution and engineering group, about a bid last year and, shortly after those talks folded, further negotiations commenced with an unnamed party.

Kwik-Fit emerged as the buyer of Crest.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

the Crest board in connection with the Kwik-Fit offer.

They have, however, undertaken irrevocably to pledge acceptances in respect of their 32.2 per cent holding which, with the acceptances of the independent Crest directors, brings the level of acceptances thus far up to 34.1 per cent.

Crest, which is quoted on the unlisted securities market, had been talking to Howard Tenens, the distribution and engineering group, about a bid last year and, shortly after those talks folded, further negotiations commenced with an unnamed party.

Kwik-Fit emerged as the buyer of Crest.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Mr Stenson and Mr Farmer were instrumental in taking Crest back into the stock market two years ago after a seven year suspension. Mr Stenson subscribed for £1m of new shares in the company.

Bluemel halts dealing for new share talks

ET UNIT TRUST INFORMATION SERVICE

[illegible]

TRADED OPTIONS

		CALLS			PUTS		
Option		Feb.	May	Aug.	Feb.	May	Aug.
S&L (USP 458)	350	—	—	—	14	—	—
"	360	76	80	88	14	4	8
"	365	—	—	—	14	—	—
"	380	45	50	50	14	10	13
"	400	16	28	58	1	18	35
"	460	—	14	24	—	60	60
IMP (USP 185)	80	56	55	—	01 1/2	1	—
"	90	86	25	—	01 1/2	—	5
"	110	110	15	19	1	7	10
"	120	5	10	14	—	7	10
"	180	17	6	5 1/2	7	16	17
LMO (USP 272)	260	0	40	50	2	14	23
"	280	1 1/2	37	37	10	26	52
"	300	—	27	30	30	37	52
"	310	1	8	16	60	66	30
"	320	—	—	—	—	—	—
"	350	1	8	—	130	120	—
LNR (USP 91)	50	31 1/2	—	—	0 1/2	—	—
"	70	80	—	—	1	—	—
"	80	81 1/2	12	14	1	8	—
"	90	0	6 1/2	8 1/2	0 1/2	8	10
"	100	1	2 1/2	4 1/2	10	16	17
P & O (USP 125)	100	86	29	80	1	2	4
"	110	16	21	22	1	2	—
"	120	1	1	2	2	7	—
"	130	1	6	10	7	11	19
"	140	1	4	—	17	12	—
"	160	1 1/2	1	—	37	37	—
RCL (USP 478)	290	84	—	—	1	—	—
"	320	56	—	—	2	2	—
"	350	11	42	66	2	20	27
"	500	1	25	85	44	40	88
"	600	1	20	36	—	—	—
"	800	8	8	10	134	185	186
"	850	1	8	—	184	165	—
RTZ (USP 585)	550	206	—	—	—	—	—
"	580	175	—	—	—	—	—
"	590	146	150	—	1	1	—
"	610	116	82	180	1	8	8
"	680	280	90	27	—	7	2
"	880	40	—	—	—	—	14

Financial Times Conference Organisation on
Telephone 01-621 1355 or
Telex London 27347 to obtain details

FINANCIAL TIMES SUBSCRIPTION RATES			
Please send me details of your subscription rates and how to receive the Financial Times regularly			
Name	Position		
Company	Tel:		Telex:
Address			
Cut out and send to: IN EUROPE: Financial Times (Europe) Ltd., Gurdieterrasse 54, D-6000 Frankfurt am Main 1 West Germany — Telephone: Frankfurt (06 311) 7500 0 — Telex: 418193 IN USA: Barbara Waller, Circulation Manager, Financial Times, 75 Rockefeller Plaza, New York, NY 10019 USA — Telephone: 488 8300			

OFFSHORE AND OVERSEAS

SECTION III CONTENTS

NEW YORK STOCK EXCHANGE 28-29
AMERICAN STOCK EXCHANGE 29-30
WORLD STOCK MARKETS 30
COMMODITIES 31
LONDON STOCK EXCHANGE 32-33
CURRENCIES 34

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday February 17 1983

WALL STREET

Braced to withstand the storm

BUFFETED by gusts of economic and monetary predictions and exhortations from Washington, stock investors seemingly deemed it safest to put down anchor until the horizon cleared somewhat, and values drifted back and forth within a narrow range for a large part of the day.

Despite the additional news that U.S. housing starts had risen a record 35.9 per cent in January, and similarly optimistic industrial production figures, the Dow Jones industrial average sank slowly during the afternoon to end 5.67 down at 1,087.43 as declines stained a greater edge over advances, finally ahead by a margin of about three to two.

Volume amounted to only some 82m shares, however, down from Tuesday's 89m which was already well below the levels established in recent months.

Unfavourable trade winds, in the form of earnings setbacks for several companies which have been recent favourites, contributed to the decision to take cover. At the close Wall Street was down 5.87 at 1087.43.

Warner Communications, until recently one of the more popular institutional

investments, gave news of a fourth-quarter profits erosion to \$33m from \$75.8m a year earlier and warned that the 1983 first-half performance was likely to fall short of the comparable previous period. This was because of an excess inventory of video game cartridges and increased competition in the field pioneered by its Atari subsidiary.

The volume leader, Warner slid 5 1/4 to \$29 3/4.

Hewlett Packard, which also reported lower earnings, was 2 1/4 off at \$83 1/4. Revived interest in IBM, by contrast, enabled it again to touch the \$100 mark before pulling back in line to finish 5 1/4 lower at \$98 1/4.

Mr Volcker's prognosis for interest rates and monetary growth brought strength to the credit markets. The key Treasury 10% per cent bonds due 2012, already firming, immediately put on more to stand 1/4 up at 95 1/4 by mid-session.

Dealers said the testimony appeared to increase the chances of an early reduction in the discount rate, currently at 8 1/2 per cent.

Treasury bills were able to overcome the negative impact of a high Federal Funds rate, which touched 9 per cent at one point in the morning before settling back at around 8 1/2 per cent for much of the day. The fed in late morning indirectly supplied temporary reserves by arranging \$1bn of customer repurchase agreements at that level.

Yields on three-month bills came back nine basis points by mid-session to stand at about 8.13 per cent, while the rate on

the six-month bills was some 17 basis points lower at 8.20 per cent.

The Fed's intervention was regarded as restrained. Retail buying interest picked up somewhat, mainly in short and medium-term Treasury securities. Demand was thereby enhanced for the \$7.5bn of Treasury two-year notes which were to be auctioned later yesterday.

Yields were expected by dealers to reach between 9.65 and 9.70 per cent, consistent with a 9 1/2 per cent coupon.

Stocks traded moderately better for much of the day in Toronto but were all but devoid of features. Strength was apparent in golds and base metals but oil and gas issues were slow to pick up. Banks were ahead of the market in Montreal.

EUROPE

Course of currencies holds sway

CURRENCY trends exerted an overriding influence on stocks in many centres yesterday, to the benefit or detriment of values depending on the course of each national unit against the dollar and within the European Monetary System.

In Brussels - where the central bank reported increased spending for last week in defence of the franc, reaching the equivalent of Bfr 9.6bn - domestic share prices were mixed in subdued trading as prospects of a discount rate cut receded accordingly.

Holding companies gave up ground, with Bruxelles Lambert off Bfr 15 to Bfr 1,645, Cobepe Bfr 15 to Bfr 2,275 and Sofina Bfr 10 to Bfr 4,005. But electricals steadied and steels fared relatively well.

A setback for the D-Mark against the dollar encouraged profit-taking in Frankfurt, where sellers had been poised from the outset to cash in after gains on Tuesday.

Steelmaker Klöckner-Werke continued its slide despite company reassurances on its financial position ending DM 5.50 off at DM 33.50 for a three-day fall of DM 10.

A cautiously weaker showing by domestic bonds required the Bundesbank to buy a nominal DM 2m in public paper.

The recent ability of the Swiss franc to hold the dollar below SwFr 2 heartened Zurich industrialists, with prices and volume buoyed by foreign interest. Nestlé added SwFr 20 to SwFr 3,970.

Conversely, electronics group Landis and Gyr - which blamed a 40 per cent fall in profits for last year largely on competitiveness difficulties in the face of a stronger franc - finished unchanged at SwFr 1,040.

Banks were neglected but bonds steadied in active dealings.

Milan, which has drawn strength from the lira's present commanding position within the EMS, continued upward with the assistance of technical factors linked to the start of a new account month yesterday.

Chemicals shone, with a rise of L8.20 for Montedison at L134.20 and L24 for Sna Viscosa at L88. Takeover rumours boosted Toro Assicurazioni, up L300 to L14,299. Domestic bonds turned out selectively higher.

Another mixed picture emerged in Paris, with the precarious position of the French franc identified by the Belgians as the source of their own troubles. The Bank of France pushed call money up a further eight to 12 1/2 per cent, depressing sentiment in stocks.

An Amsterdam rally took Hoogovens FI 1.50 up at FI 19.50, KLM FI 2.50 at FI 153 and Philips FI 1.50 at FI 36. Banks were also favoured.

Stockholm made further progress, paced by a SKr 45 surge for Asea to SKr 435, and Oslo had as its outstanding feature a Nkr 12 jump by Norsk Hydro to Nkr 294.50. Madrid managed somewhat to stem its recent decline.

AUSTRALIA

Nerves show

A FIRMER has emerged in nervous Sydney trading, supported largely by strength in metals and minerals, while industrialists had a poorer day.

Among improved heavyweight miners were MIM, up 18 cents at A\$4.20, and Western Mining which at A\$4 was 10 cents ahead. Bougainville Copper firmed two cents to A\$2.32 despite announcing a 51 per cent plunge in 1982 earnings. CRA, with which it is affiliated, added five cents to A\$3.85.

The All Ordinaries index, an eventual 1.2 ahead at 515.2, forms the basis for trading which began yesterday in stock index futures - a crucial time given the federal elections scheduled for March 5. March contracts closed at 514.0, June at 524.5 and September at 535.5.

CANADIAN closing stock prices and New York and Canadian closing indices were not available for this edition because of a computer failure.

FAR EAST

Speculatives provide the sparkle

SPECULATIVES and lower-priced domestic industrial issues again came to the fore in Tokyo yesterday as Wall Street's overnight disaffection for the 1,100 mark unsettled blue chips.

Volume was a brisk 660m shares, enabling the Nikkei-Dow Jones market average to edge up 9.99 to 8,145.41, but the Tokyo SE index eased 0.26 to 590.23. Non-ferrous metals, shipping lines, paper pulps and textiles were in good demand but vehicles, steels, light electricals, oils and computer manufacturers lost ground.

Another factor which continued to distress the quality end of the market was the high levels prevailing in margin buying positions, where the ability to complete purchase payments is not always demonstrable.

The exchange authorities - who have been closely monitoring the adequacy of existing curbs on such dealings - are to tighten restrictions on margin trading in Mitsubishi Metal from today. Yesterday its stock, the second most active with 46.3m units changing hands, surged Y45 to Y480.

Shipping stocks gained strength from softening world oil prices; Japan Line, again volume leader, added Y7 to Y242 while Sankyo Steamship improved Y30 to Y250.

Fuji Photo Film, which reported a 16 per cent increase in consolidated net earnings for 1982, finished unchanged at Y1,620.

Toyota, meanwhile, fell Y12 to Y976 and Honda Y10 to Y957.

In the bond market, price of government issues eased in the afternoon to return to Tuesday's closing levels as commercial banks sought profits, brokers said.

Singapore investors returned from the Chinese new year celebrations in ebullient mood and launched a buying campaign which took the Straits Times in-

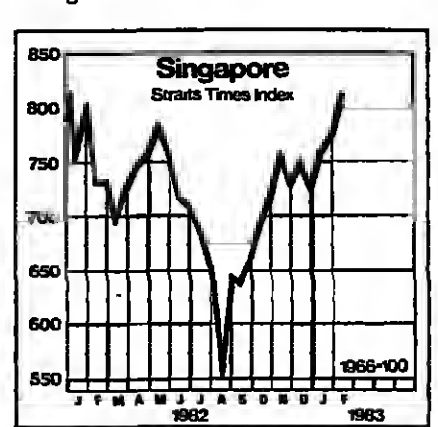
dustrial index to a 13-month high, 12.69 stronger at 611.29. Trading volume was well above recent levels.

One broker noted substantial buying from Indonesia - amid fears of a devaluation of the rupiah, which has been trading at a record low against the U.S. dollar - and from Brunei.

Among the day's biggest beneficiaries was Cold Storage, which advanced 32 cents to S\$4.96 on expectations of impressive annual results.

Oil concern Promet, heading the active, added 25 cents to S\$3.20 on similar reports of good order inflow and healthy earnings. Hotels, properties and commodities were all higher.

A more moderate pace was set in Hong Kong but the banking sector distinguished itself with gains of well above a dollar. Hang Seng ended HK\$1.50 up at HK\$53. Wing Lung HK\$1.75 at HK\$47.25 and East Asia a strong HK\$1.90 at HK\$29.30.



SOUTH AFRICA

Limited losses

SCATTERED profit-taking left many of Johannesburg's gold leaders somewhat easier, with a R1 loss for St Helena at R37 but a 50 cent improvement for Randfontein at R174.

Mining financials backed off: Anglo-American was 20 cents lower at R22.50 and De Beers 15 cents at R8.90.

Tuesday's prime rate cut continued to assist industrialists, however. Annual results provided additional impetus for Rannies, 50 cents stronger at R7.60.

LONDON

Drab picture relieved by ports debut

THOUGHTS earlier in the week that London equity markets were looking weary and vulnerable at current record levels were justified yesterday. Leading industrialists fell several points soon after the opening and the decline snowballed to take the FT Industrial Ordinary index down more than 10 points shortly after midday.

A technical reaction after the sustained strength of the previous fortnight had been widely expected before the current long trading account ends tomorrow.

Sizeable profits were there to be taken, but the volume of selling was relatively small. Suspicion that the fall was more a reflection of dealers' efforts to avoid taking stock strengthened when leading shares later rallied smartly on comments by Mr Paul Volcker, U.S. Federal Reserve chairman, on money growth there. The FT index closed only 5.9 down on balance at 656.0.

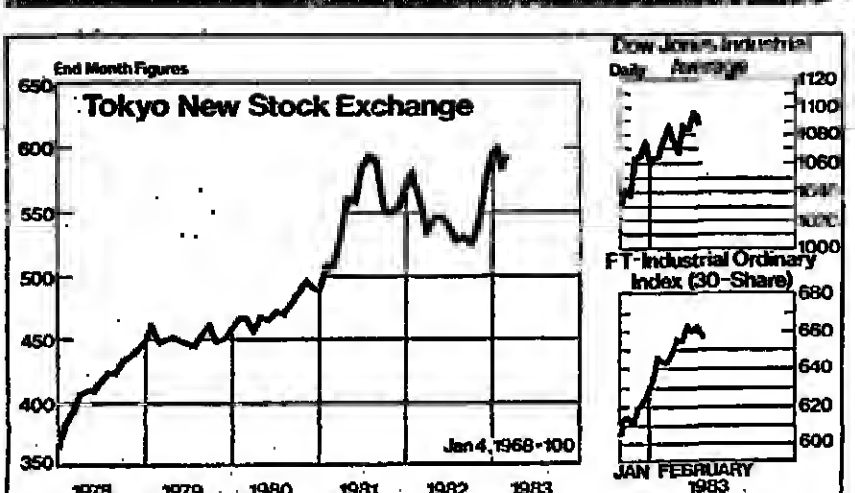
Cash shortages were still evident with many equity investors conserving funds for an onslaught on a Superdrug Stores' offer for sale today.

The recent good advance in government stocks initially faltered and quotations of longer maturities reacted as sterling weakened on revived reports of impending North Sea oil price cuts.

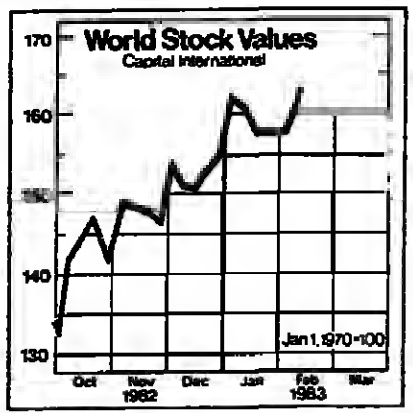
Mr Volcker's statements, however, later put the dollar under pressure and gilts drew renewed support as the pound strengthened. The longs finally regained all the lost ground and closed fractionally harder, where changed, with short-dated issues also establishing minor gains on the day.

Mining markets did little more than mark time in quiet trading as the bullion price held relatively steady. Financials were featured by Gold Fields which dropped 20p to 546p following sizeable selling associated with fears over half-year results expected on March 9. Share information service, Pages 32-33.

KEY MARKET MONITORS



STOCK MARKET INDICES			
NEW YORK			
	Feb 16	Previous	Year ago
DJ Industrials	1087.43	1093.1	831.34
DJ Transport	478.16	477.53	345.68
DJ Utilities	124.06	123.94	104.99
S&P Composite	147.43	148.29	114.06
LONDON			
	Feb 16	Previous	Year ago
FT Ind Ord	656.0	661.9	563.6
FT-A All-shares	408.89	412.91	324.97
FT-A 500	444.53	447.8	343.79
FT-A Ind	417.29	420.76	314.79
FT Gold mines	733.5	734.7	269.8
FT Govt secs	79.75	79.76	65.34
TOKYO			
	Feb 16	Previous	Year ago
Nikkei-Dow	8145.41	8135.42	7693.92
Tokyo SE	590.23	590.49	670.07
AUSTRALIA			
	Feb 16	Previous	Year ago
All Ord.	515.2	514.0	511.5
Metals & Mins.	464.1	456.2	366.5
AUSTRIA			
	Feb 16	Previous	Year ago
Credit Aktien	48.71	48.48	54.87
BELGIUM			
	Feb 16	Previous	Year ago
Belgian SE	106.17	105.93	96.25
CANADA			
	Feb 16	Previous	Year ago
Toronto Composite	2147.5	2148.9	1652.20
Montreal Industrials	368.18	368.58	269.27
Combined	355.66	354.70	273.50
DENMARK			
	Feb 16	Previous	Year ago
Copenhagen SE	n/a	107.57	97.77
FRANCE			
	Feb 16	Previous	Year ago
CAC Gen	105.9	105.9	108.7
Ind. Tendance	109.7	110.3	121.8
WEST GERMANY			
	Feb 16	Previous	Year ago
FAZ-Aktien	259.36	260.01	225.07
Commerzbank	768.40	779.9	680.2
HONG KONG			
	Feb 16	Previous	Year ago
Hang Seng	944.32	931.4	1230.62
ITALY			
	Feb 16	Previous	Year ago
Banca Comm.	205.95	202.01	188.84
NETHERLANDS			
	Feb 16	Previous	Year ago
ANP-CBS Gen	112.6	111.0	86.3
ANP-CBS Ind	93.8	97.3	68.2
NORWAY			
	Feb 16	Previous	Year ago
Oslo SE	148.66	145.39	108.29
SINGAPORE			
	Feb 16	Previous	Year ago
Straits Times	811.29	798.6	732.0
SOUTH AFRICA			
	Feb 16	Previous	Year ago
Gold	1012.8	1019.3	502.8
Industrial	846.2	836.7	709.2
SPAIN			
	Feb 16	Previous	Year ago
Madrid SE	102.4	102.52	105.77
SWEDEN			
	Feb 16	Previous	Year ago
J & P	1175.25	1160.23	603.69
SWITZERLAND			
	Feb 16	Previous	Year ago
Swiss Bank Ind	307.5	306.8	244.1
GOLD (per ounce)			
	Feb 16	Previous	Year ago
London	\$508.50	\$507.50	\$507.50
Frankfurt	\$508.50	\$511.00	\$511.00
Zurich	\$508.50	\$510.75	\$510.75
Paris	\$508.36	\$512.77	\$512.77
New York futures (Feb)	\$503.70	\$505.80	\$505.80



BNP

Europe's leading commercial bank

Banque Nationale de Paris, the largest bank in France, second largest bank in the world,* has an international network extending throughout seventy-seven countries worldwide.

BNP offers its clients unrivalled resources and worldwide connections concentrated in the trading and financial centres of Europe, North and South America, the Middle and Far East, Africa and Australasia

Banque Nationale de Paris

Head Office
16, Boulevard des Italiens, 75009 PARIS. Tel: 244-45-46. Tlx: 280 605.

*Source American Banker July 1982.

[illegible]

ARCHITECTURE AT WORK

Nomination Forms together with Conditions of Entry can be obtained directly from: "Architecture at Work Award," Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

Continued on Page 29

هكذا على الرقص

NEW YORK STOCK EXCHANGE CLOSING PRICES

[illegible]

Continued on Page 30

[illegible]

Continued on Page 36

COMMODITIES AND AGRICULTURE

Rubber soars to 34-month high

BY OUR COMMODITIES STAFF

THE UPSURGE in natural rubber prices accelerated yesterday with the RSS No. 1 spot quotation in the London physical market gaining a further 3.5p to 66.5p a kilo, a 34-month high.

Dealers remained uncertain about the cause of the rise, which amounts to 16.5p so far this year, although there were suggestions of producer price support.

"Whatever price was offered the buyers would bid it," said one futures market trader.

Most of the activity was on the futures market where the April position closed 244 up at 567.8 a tonne. But even there the volume was not particularly large and some dealers were suggesting that with little obvious support beneath present levels a sharp downturn was possible once prices stopped rising.

Yesterday's advance was fuelled by speculative buying encouraged by a strong performance in the Singapore market on its reopening following the Chinese New Year holiday.

Monday's 3p rise on the physical market had been linked by some traders with reports of heavy demand on the Tokyo market but this theory had few supporters yesterday.

Meanwhile, in Kuala Lumpur, Mr Mazlan Jemaluddin, chairman of the Malaysian Rubber Producers' Council (MRPC) said the rubber industry was likely to recommend the continuation of export cuts by major producers for a further six months unless the present agreement runs out next month.

The Association of Natural Rubber Producing Countries agreed last October that Malaysia, Indonesia, Thailand and Sri Lanka should hold 250,000 tonnes off the market for six months in an attempt to boost depressed prices.

The ANRPC is scheduled to meet in Kuala Lumpur to review this policy at the end of next week and the MRPC will hold talks ahead of that meeting to discuss its attitude to a continuation.

Malaysia is withholding 129,000 tonnes as its share of the total.

Ivory Coast predicts big drop in its cocoa output

THE IVORY COAST cocoa output this season will be well below last year's record 450,000 tonnes, Mr Denis Bra Kanon, the agriculture minister, said.

He told visiting West German business executives the fall was because of poor rains, bush fires and static producer prices.

Producer prices had been fixed at 300 central African francs (96 U.S. cents) per kilo for the past three years.

Bush fires, aggravated by the country's worst hamattan

within memory, had destroyed a "significant" area of cocoa plantations.

The cocoa plantation area would not be increased. Old plantations would be gradually destroyed and replaced by food crops, Mr Bra Kanon added.

The German delegation is trying to increase the volume of cocoa imported directly by the Port of Hamburg to cut costs. West Germany is Europe's largest cocoa importer, with 195,000 tonnes last year.

Speculative buying lifts aluminium and copper

ALUMINIUM and copper prices rose to new 33-month highs on the London Metal Exchange, following further speculative buying.

Cash aluminium closed £10.5 higher at £918.5 a tonne and the £5.5 up at £1,094.5 a tonne. There was little reaction to news of a strike at the Centromin plants in Peru.

Tin lost ground in spite of another rise in the Straits price in Penang when the Malaysian market reopened after the high-grade copper cash price Chinese New Year holiday.

● DANISH Government asked the EEC Commission to look into the delay by Sweden and Norway in lifting bans on Danish meat imports after Denmark was declared free of foot and mouth disease on Monday.

● PRODUCTION of clove oil, used in perfumes and pharmaceuticals, is expected to start in May at a French-built distilling plant on the island of Pemba.

● NON-COMMUNIST world consumption of silver for industrial and coinage uses last year rose to an estimated 368m ounces, up 5 per cent from 1981, according to Handy and Harman, U.S. refiners.

● WORLD cotton stocks at the end of the 1982-83 season will total 25.7m bales, 2m larger than stocks on August 1 last year.

● FUTURES contracts in January were a record 2.22m, up 26.9 per cent from the previous record in August last year.

● SOVIET meat production from state and collective farms in January rose to 1.442m tonnes, from 1.392m last year.

● SHELL FISH beds affected by bonamia disease will be isolated under legislation to be introduced by Government, Agriculture Minister Peter Walker said.

Thatcher urges greater food exports

John Cherrington gives a farming viewpoint of the Food from Britain conference in London

THE PRIME Minister called on the British food industry yesterday to "greatly increase" exports and win a greater share of the home market.

It had to replace as much as possible of the £4bn worth of temperate zone food imported annually, she said.

In a recorded message Mrs Thatcher told the Food from Britain conference in London: "We must look upon the whole of the European market as our home market." She urged greater sales efforts in third markets such as the U.S. and the Middle East.

Mrs Thatcher was unable to attend because she was at the funeral of Tory MP Mr Michael Roberts, who died in the Commons last week.

Food from Britain is the new agricultural marketing umbrella organisation which is expected to begin operations by the end of next month. Yesterday's conference, attended by 2,000 food producers, manufacturers, distributors and retailers, was to introduce the organisation's officers and to outline its operating plan.

Mr Bill Marlow, FFB's marketing director designate, said it would help producers by

guiding them to produce still more accurately what profitable future markets would demand. For manufacturers and processors it would support and coordinate programmes designed to win new markets.

The overall objective was to convince retailers and their customers that the quality and consistency of British food and the marketing expertise of the

industry was better than that of its competitors.

Sir Adrian Cadbury, group chairman of Cadbury Schweppes and chairman of the Food Manufacturers' Federation, said there was no question of trying to bring large companies which were successfully exporting their brands under a national marketing umbrella.

"Food from Britain intends

that at least 100,000 tonnes of milling wheat will have to be imported.

On the other hand, pig farmers who have improved the quality of their output, face a situation where the best advice to them is to cut production to raise prices.

The only viable farm marketing system for UK conditions is that of the Milk Marketing Board which was all British milk and manufacturing was EEC later. The country's dairy products. It controls quality to narrow limits and shelters farmers from the rigours of supply and demand.

To encourage each company and food organisation to make the most of its own opportunities," he said.

Sir Adrian thought the whole British food chain would benefit from a more effective performance by UK producers and manufacturers in domestic and export markets, because it would "increase the reputation of food from Britain."

World Bank scheme to aid fishing in \$540m

THE WORLD BANK this week announced a programme to increase production of fish to raise living standards in poor countries.

It plans to lend \$540m in 15-day 20 projects. The World Bank is the largest source of aid for poor countries. Between 1964 and 1981, it lent only \$259m for fishing projects.

Among the projects are increasing funding for raising fish in synthetic ponds, harvesting fish from rice paddies, raising crabs in swamps, and creating community-run ponds. Indonesia, Panama and the Philippines are among places to benefit.

Mr Graham Donaldson, top economist in the bank's rural development department, said fish protein could feed 100 million people in the developing world. In Kenya, for example, men from some tribes refused to eat fish because they feared it would make them impotent.

Grains supply squeeze likely

FREE WORLD grain stocks may be tight towards the end of the 1982-83 marketing year because of deteriorating crop prospects in Argentina and South Africa, the U.S. Agriculture Department said.

The heavy movement of U.S. corn into the farmer-owned grain reserve would also affect stocks.

The U.S. payment-in-kind acreage reduction programme was expected to reduce U.S. wheat, corn and soybean output this year by around 30m tonnes, the department added.

EEC sugar proposal accepted

BY JOHN EDWARDS, COMMODITIES EDITOR

THE EEC widely selling tender for sugar exports passed without incident yesterday. A Commission proposal was passed unanimously by the committee to authorise exports of 44,500 tonnes of a maximum export rebate of 36.14 European currency units per 100 kilos.

The committee took the unprecedented step last week of rejecting the commission's recommendation that several countries be allowed to export more than the commission sug-

gested. Behind yesterday's placid return to normal, it appears a compromise has been worked out. It seems that earlier proposals to allow EEC sugar exports this season to 4.9m tonnes have been dropped and the likely total will be at least 5.25m tonnes.

It was noted that the commission has just authorised the export of 100,000 tonnes of white sugar, outside the weekly selling tender, by giving the daily fixed rate of 56.54 units per 100 kilos.

Member countries have urged the commission to be more flexible in setting the level of sales at the weekly tender. This means the commission will have to strike a delicate balance between disposing of the Community's surplus, while trying to demonstrate the EEC's desire to avoid undermining the world market still further and being able to adopt a responsible stance at the forthcoming negotiations for the International Sugar Agreement.

Coffee misses release level

THE International Coffee Organisation (ICO) said its February 15 was 124.86 cents per lb—just below the 125 cents level needed to release an extra 500,000 bags of coffee under the export quotas system, Reports Reuters.

London Futures prices fell further yesterday. The May position closed £27 lower at £1,632 a tonne.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 16 1983	16 Feb	15 Feb
Mintal	5310.00	5310.00	5310.00
Aluminium	5310.00	5310.00	5310.00
Copper	5310.00	5310.00	5310.00
Gold	5310.00	5310.00	5310.00
Oil	5310.00	5310.00	5310.00
Grain	5310.00	5310.00	5310.00
Wheat	5310.00	5310.00	5310.00
Rice	5310.00	5310.00	5310.00
Soybean	5310.00	5310.00	5310.00
Cotton	5310.00	5310.00	5310.00
Wool	5310.00	5310.00	5310.00
Iron	5310.00	5310.00	5310.00
Steel	5310.00	5310.00	5310.00
Lead	5310.00	5310.00	5310.00
Zinc	5310.00	5310.00	5310.00
Nickel	5310.00	5310.00	5310.00
Platinum	5310.00	5310.00	5310.00
Palladium	5310.00	5310.00	5310.00
Gold Bullion	5310.00	5310.00	5310.00
Gold Bars	5310.00	5310.00	5310.00
Gold Coins	5310.00	5310.00	5310.00
Gold Jewellery	5310.00	5310.00	5310.00
Gold Scrap	5310.00	5310.00	5310.00
Gold Dust	5310.00	5310.00	5310.00
Gold Slag	5310.00	5310.00	5310.00
Gold Refractory	5310.00	5310.00	5310.00
Gold Anode	5310.00	5310.00	5310.00
Gold Cathode	5310.00	5310.00	5310.00
Gold Electrolyte	5310.00	5310.00	5310.00
Gold Slime	5310.00	5310.00	5310.00
Gold Concentrate	5310.00	5310.00	5310.00
Gold Tailings	5310.00	5310.00	5310.00
Gold Residue	5310.00	5310.00	5310.00
Gold Losses	5310.00	5310.00	5310.00
Gold Waste	5310.00	5310.00	5310.00
Gold Scrap	5310.00	5310.00	5310.00
Gold Dust	5310.00	5310.00	5310.00
Gold Slag	5310.00	5310.00	5310.00
Gold Refractory	5310.00	5310.00	5310.00
Gold Anode	5310.00	5310.00	5310.00
Gold Cathode	5310.00	5310.00	5310.00
Gold Electrolyte	5310.00	5310.00	5310.00
Gold Slime	5310.00	5310.00	5310.00
Gold Concentrate	5310.00	5310.00	5310.00
Gold Tailings	5310.00	5310.00	5310.00
Gold Residue	5310.00	5310.00	5310.00
Gold Losses	5310.00	5310.00	5310.00
Gold Waste	5310.00	5310.00	5310.00

BRITISH COMMODITY MARKETS

BASE METALS	Feb. 16 1983	16 Feb	15 Feb
Aluminium	5310.00	5310.00	5310.00
Copper	5310.00	5310.00	5310.00
Gold	5310.00	5310.00	5310.00
Iron	5310.00	5310.00	5310.00
Steel	5310.00	5310.00	5310.00
Lead	5310.00	5310.00	5310.00
Zinc	5310.00	5310.00	5310.00
Nickel	5310.00	5310.00	5310.00
Platinum	5310.00	5310.00	5310.00
Palladium	5310.00	5310.00	5310.00
Gold Bullion	5310.00	5310.00	5310.00
Gold Bars	5310.00	5310.00	5310.00
Gold Coins	5310.00	5310.00	5310.00
Gold Jewellery	5310.00	5310.00	5310.00
Gold Scrap	5310.00	5310.00	5310.00
Gold Dust	5310.00	5310.00	5310.00
Gold Slag	5310.00	5310.00	5310.00
Gold Refractory	5310.00	5310.00	5310.00
Gold Anode	5310.00	5310.00	5310.00
Gold Cathode	5310.00	5310.00	5310.00
Gold Electrolyte	5310.00	5310.00	5310.00
Gold Slime	5310.00	5310.00	5310.00
Gold Concentrate	5310.00	5310.00	5310.00
Gold Tailings	5310.00	5310.00	5310.00
Gold Residue	5310.00	5310.00	5310.00
Gold Losses	5310.00	5310.00	5310.00
Gold Waste	5310.00	5310.00	5310.00

AMERICAN MARKETS

NEW YORK, February 16	Feb. 16 1983	16 Feb	15 Feb
Aluminium	5310.00	5310.00	5310.00
Copper	5310.00	5310.00	5310.00
Gold	5310.00	5310.00	5310.00
Iron	5310.00	5310.00	5310.00
Steel	5310.00	5310.00	5310.00
Lead	5310.00	5310.00	5310.00
Zinc	5310.00	5310.00	5310.00
Nickel	5310.00	5310.00	5310.00
Platinum	5310.00	5310.00	5310.00
Palladium	5310.00	5310.00	5310.00
Gold Bullion	5310.00	5310.00	5310.00
Gold Bars	5310.00	5310.00	5310.00
Gold Coins	5310.00	5310.00	5310.00
Gold Jewellery	5310.00	5310.00	5310.00
Gold Scrap	5310.00	5310.00	5310.00
Gold Dust	5310.00	5310.00	5310.00
Gold Slag	5310.00	5310.00	5310.00
Gold Refractory	5310.00	5310.00	5310.00
Gold Anode	5310.00	5310.00	5310.00
Gold Cathode	5310.00	5310.00	5310.00
Gold Electrolyte	5310.00	5310.00	5310.00
Gold Slime	5310.00	5310.00	5310.00
Gold Concentrate	5310.00	5310.00	5310.00
Gold Tailings	5310.00	5310.00	5310.00
Gold Residue	5310.00	5310.00	5310.00
Gold Losses	5310.00	5310.00	5310.00
Gold Waste	5310.00	5310.00	5310.00

LONDON OIL SPOT PRICES

CRUDE OIL—FOB (per barrel)	Feb. 16 1983	16 Feb	15 Feb
Arabian Light	5310.00	5310.00	5310.00
Iranian Light	5310.00	5310.00	5310.00
Arabian Heavy	5310.00	5310.00	5310.00
Iranian Heavy	5310.00	5310.00	5310.00
North Sea (Brent)	5310.00	5310.00	5310.00
Algeria (Bent)	5310.00	5310.00	5310.00
PRODUCTS—North West Europe	5310.00	5310.00	5310.00
Premium gasoline	5310.00	5310.00	5310.00
Gas oil	5310.00	5310.00	5310.00
Heavy fuel oil	5310.00	5310.00	5310.00

GAS OIL FUTURES

Month	Feb. 16 1983	16 Feb	15 Feb
February	5310.00	5310.00	5310.00
March	5310.00	5310.00	5310.00
April	5310.00	5310.00	5310.00
May	5310.00	5310.00	5310.00
June	5310.00	5310.00	5310.00
July	5310.00	5310.00	5310.00
August	5310.00	5310.00	5310.00
September	5310.00	5310.00	5310.00
October	5310.00	5310.00	5310.00
November	5310.00	5310.00	5310.00
December	5310.00	5310.00	5310.00

LONDON FUTURES

Month	Feb. 16 1983	16 Feb	15 Feb
February	5310.00	5310.00	5310.00
March	5310.00	5310.00	5310.00
April	5310.00	5310.00	5310.00
May	5310.00	5310.00	5310.00
June	5310.00	5310.00	5310.00
July	5310.00	5310.00	5310.00
August	5310.00	5310.00	5310.00
September	5310.00	5310.00	5310.00
October	5310.00	5310.00	5310.00
November	5310.00	5310.00	5310.00
December	5310.00	5310.00	5310.00

GOLD MARKETS

Gold rose \$1 an ounce from Tuesday's close in the London bullion market yesterday to finish at \$308.500. The metal opened at \$308.475 and touched a low of \$308.304 before ending the day near the level of the day. Settlement was improved by a weaker dollar following comments by Federal Reserve chairman Paul Volcker pointing to lower U.S. interest rates.

In Paris the 12 1/2 kilo bar was fixed at FF 12,000 per kilo (\$508.96 per kilo) in the afternoon compared with FF 12,000 (\$508.97) in the morning and FF 12,000 (\$508.97) on Tuesday afternoon.

In Frankfurt gold was fixed at DM 39,340 per kilo (\$508.97) against DM 39,420 (\$508.02) pre-

SUGAR

Month	Feb. 16 1983	16 Feb	15 Feb
February	5310.00	5310.00	5310.00
March	5310.00	5310.00	5310.00
April	5310.00	5310.00	5310.00
May	5310.00	5310.00	5310.00
June	5310.00	5310.00	5310.00
July	5310.00	5310.00	5310.00
August	5310.00	5310.00	5310.00
September	5310.00	5310.00	5310.00
October	5310.00	5310.00	5310.00
November	5310.00	5310.00	5310.00
December	5310.00	5310.00	5310.00

COTTON

Month	Feb. 16 1983	16 Feb	15 Feb
February	5310.00	5310.00	5310.00
March	5310.00	5310.00	5310.00
April	5310.00	5310.00	5310.00
May	5310.00	5310.00	5310.00
June	5310.00	5310.00	5310.00
July	5310.00	5310.00	5310.00
August	5310.00	5310.00	5310.00
September	5310.00	5310.00	5310.00
October	5310.00	5310.00	5310.00
November	5310.00	5310.00	5310.00
December	5310.00	5310.00	5310.00

MEAT/FISH

Month	Feb. 16 1983	16 Feb	15 Feb
February	5310.00	5310.00	5310.00

OIL AND GAS—Continued

[illegible]

The Japanese bank that helps you grow

 **SAITAMA
BANK**

Tokyo Int'l Dept. & Foreign Business Dept.
Tel. (03) 211-2211
London Branch: Tel. (01) 248-9421
Saitama Bank (Europe) S.A.:
Tel. (02) 230-8100

MINES—Continued

1982/83		Stock	Price	+ or -	Dis. Mtd	C/w	Yr. Gr.
High	Low						
300	75	Falcon RH.50c.....	300	Q25c	10.3	5
33	18	Warrior Col. Z51.....	19	703c	1.2	10
26	12	Zam. Cpv. SBD0.24.....	26	—	—	—

Australians

[illegible]

Time

255	135	55	Ayeh Htam SM1	205	1	095c	2.0	1.3
140	15	55	Gewah	110	1	-	-	-
130	15	55	Gelel 121 g	130	1	-	-	-
130	250	55	Gopeng Con	110	1	220 b	1.2	8
670	330	55	Hongkong	525	21.0	0	-	-
24	15	55	Jamur 12 g	19	1.5	2.0	1.1	11
130	45	55	Kamuning 340.50	122	0.070	0	-	-
130	45	55	Kulim 200.50	122	0.070	0	-	-
42	20	55	Malaysia Ming. Lic	61	21	071.3 c	1.6	6
42	20	55	Pahang	33	1	0.03 63.0	0.0	0
590	280	55	Pengkalan 150	325	1.8	-	-	-
130	140	55	Pulau 150	330	1.8	-	-	-
200	130	55	Sungai Besi SM1	290	0.0185	0.6	-	-
55	25	55	Usutrem Con MS1	45	0.034	-	-	-
110	95	55	Yancong 15g	190	0.35	0	-	-
110	95	55	Yongli 15g SM1	190	0.35	0	-	-
255	125	55	Yongli SM1	280	0.50	2.3	-	-
			Yongli SM1	280	0.50	2.3	-	-

Miscellaneous

[illegible]

NOTES

[illegible]

previous dividend or forecast.
and or reorganization in progress.
variable.

- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. An P/E ratio usually required.

n Francs. Fr. French Francs. 65 Yie
treasury 8 M Rate stays unchanged until mar

a Tax free. b Figures based on prospectus or other official estimate. c Costs. d Dividends rate paid or payable on part of capital, covered based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after tax is issue. i Payment from capital sources. j Kenya. k Interim higher than previous total. l Rights issue pending. m Earnings based on preliminary

er relates to previous dividend, P/E ratio base
 s, a Forecast dividend: cover based on pr
 edium or low end of a Dividend range is

times, y. Dividend and yield based on merger terms. x. Dividend and yield include a special payment; Dividends do not apply to special payments. A. Net dividend and yield. B. Preference dividend paid or deferred. C. Canadian. E. Minimum tender price. F. Dividend and yield based on prospectus or other official estimates for 1983-84. G. Assumed dividend and yield after seedling size and other

L Dividend and yield based on prospectus for 1984. K Figures based on prospectus for 1982-83. M Dividend and yield based on

other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982 Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: *dv* dividend; *ex* ex scrip issue; *fr* ex rights; *ns* ex all; *sl* ex capital distribution.

SIGNAL AND NOISE

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

49 Exch 15pc 1983 - C
17# May 91-94/89

Bdg'wtr Est. 50	485	Pm. 13 ⁰⁰ 97/02	102	194
Cable & Rose C	132 ⁰⁰	Alliance Gas	110	-5
Finlay Prop. 50	52	Arrows	169	+2
Gang Sing. C	123	Carroll (P. J.)	82	
Haps Bros.	105	Concrete Prods.	48	
Holt (Jos.) 250	880	Heaton (Hidg.)	15	
I. M. M. Son. C	98 ⁰⁰	Inc. Green (Lester)	940	

12	Irish Ropes
164	Jacob
	7 M G

Options

3-month Call Rates

Allied-Lyons	15	I.C.I.	24	Vickers	12
BOC Grp	17	"Imps"	10	Woolworth Hld.	15
B.S.R.	8	I.C.I.	8		
Bobcock	10	Landstar		Property	
Barclays Bank	35	Legal & Gen.	28		
Bergham	35	Len Service	16	Brit. Lins	71/2
B.P. Retail	10			Cap. Counties	12

22	"Lots"	4	Land Stock
19	London Brick	11	MEPC
20	London Dock	13	Peachey

B.A.T.	58	"Mans"	15	Samuel Prop.	10
Brown (J.)	4	Mkgs. & Sprc.	16	Town & City	3
Burton Dist.	24	Midland Bank	30		
Cadbury	11	N.E.I.	9	Oils	
Courtauld	0	Nat. West. Bank	38	Brit. Petroleum	26
Debenhams	81	P & Q Dns	14	Euroash Oil	12

20	Pratt...	50	Charnell
51	Racial Eject...	45	CA...
30	R.H.M.	6	Premier

N.F.C.	4	Rank Org. Ord.	15	Shinji	35
Gen. Accident	30	Read Inert	26	72-centri.	22
Gen. Electric	24	Seiz	9	Ultrama	42
Glass	90	7.1	13		
Grand New	25	7500	8	Memos	
U.S. 'A'	50	Thorn CMI	38	Chin-ee Com	20

15	Tanner & Newall	4	Longha
30	Underly	25	G. & T 2w

A selection of Options 1125-d is given on the London Stock Exchange R-5015 B3P-

"Recent Issues" and "Rights" Page 35

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Further weakening of the dollar

The dollar fell quite sharply in late European trading, responding to Federal Reserve Board chairman, Mr Paul Volcker's statement to the U.S. Congress. Mr Volcker's comment that money supply growth is likely to be less rapid this year than last encouraged hopes of lower interest rates. Latest figures on industrial production also showed smaller than expected rise in October, and the economy would benefit from an early cut in the discount rate. Earlier in the day the dollar seemed to gain slightly on the decision of the West German Constitutional Court to allow the March 6 general election.

Sterling was steady for most of the morning despite expectations of a cut in the price of North Sea oil, and finished firmer against the dollar, but weaker against Continental currencies.

DOLLAR — Trade-weighted index (Bank of England) 118.6 against 122.6 six months ago. The dollar is much stronger than at the start of the year as the expected fall in U.S. interest rates has failed to materialise. High Federal Reserve requirements have also kept rates firm although a softer trend has developed recently on speculation of an easing of monetary policy and signs of an economic recovery in the U.S.

The dollar fell to DM 2.3890 from DM 2.4065 against the D-Mark; to FF 6.725 from FF 6.8250 against the French franc.

FF 6.8250 against the French franc; to SwFr 1.9835 from SwFr 1.9940 in terms of the Swiss franc; and to ¥232.75 from ¥233.75 against the Japanese yen.

STERLING — Trading range against the dollar in 1982-83 is 1.9565 to 1.5150. January average 1.6735. Trade-weighted index 80.7 at the close, noon and opening, compared with 80.0 on 12.12.82 and 81.1 six months ago. The pound is showing signs of stability after a period of extreme weakness caused by fears of lower world oil prices and uncertainty about an early general election. Although sterling still appears vulnerable despite an encouraging look to economic fundamentals.

Sterling was steady at \$1.5420-1.5445, until falling to a low of \$1.5370-1.5380. It then recovered, and touched a peak of \$1.5520-1.5530 in the late afternoon, before closing at \$1.5485-1.5495.

2.3840 to 2.4100. January average 2.3900. Trade-weighted index 126.7 against 124.4 six months ago.

The D-Mark has been settled in the run up to a March general election. Favourable trade figures and little hope of a cut in rates before March have helped to underpin the currency however and sentiment has improved since the election was called.

There was little reaction in Frankfurt to the West German supreme court announcement that the March election was in

go ahead. The dollar dipped about 20 points soon after the news but recovered later in the day. It was fixed at DM 2.4065 from DM 2.3725 to FF 6.8275 from FF 6.7250; and to SwFr 3.0725 from SwFr 3.0750, but improved to ¥238.75 from ¥236.50.

D-MARK — Trading range against the dollar in 1982-83 is 50.21 to 58.12. January average 54.89. Trade-weighted index 94.1 against 94.6 six months ago. The Belgian franc has fallen against the stronger EMS members over the past year and rumours of a realignment are heard from time to time. It is now very weak against the Dutch guilder.

The Belgian central bank spent the equivalent of BF 9.8bn last week in defending the Belgian franc, up from BF 6.1bn the previous week. The franc has been trading around its divergence limit for some time now with renewed weakness exacerbated by sales of Belgian francs by the French authorities in order to keep pressure on the French franc, notably against the D-Mark. At yesterday's closing in Brussels the D-Mark stood at BF 18.6680 and from BF 18.6680 and the Dutch guilder slipped to BF 17.81 from BF 17.827.

The dollar was firmer at BF 47.4250 from BF 47.14 while sterling fell to BF 72.5530 from BF 73.05.

EMS EUROPEAN CURRENCY UNIT RATES

Country	Unit	Rate	% change
Belgium	Franc	47.4250	+0.17
France	Franc	6.8275	+0.01
Germany	Mark	2.3840	-0.01
Italy	Lira	2036.26	-0.01
Netherlands	Guilder	16.4830	-0.01
Portugal	Escudo	200.48	-0.01
Spain	Peseta	166.64	-0.01
Sweden	Krona	10.36	-0.01
Switzerland	Franc	1.9835	-0.01
UK	Pound	1.5485	-0.01

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Country	Unit	Rate	% change
Argentina	Peso	100.00	-0.01
Australia	Dollar	1.5485	-0.01
Canada	Dollar	0.75	-0.01
Denmark	Krone	13.66	-0.01
Finland	Markka	5.94	-0.01
France	Franc	6.8275	+0.01
Germany	Mark	2.3840	-0.01
Greece	Drachma	340.75	-0.01
Hong Kong	Dollar	7.80	-0.01
India	Rupee	15.75	-0.01
Indonesia	Rupiah	1600.00	-0.01
Japan	Yen	238.75	-0.01
Malaysia	Ringgit	2.33	-0.01
Norway	Krone	13.66	-0.01
Philippines	Peso	50.00	-0.01
Portugal	Escudo	200.48	-0.01
South Africa	Rand	1.5485	-0.01
South Korea	Won	200.00	-0.01
Sweden	Krona	10.36	-0.01
Switzerland	Franc	1.9835	-0.01
Taiwan	Dollar	20.00	-0.01
Thailand	Baht	50.00	-0.01
UK	Pound	1.5485	-0.01
USA	Dollar	1.00	-0.01

* Selling rates.

THE POUND SPOT AND FORWARD

Day's spread	Close	One month	Three months
Feb 16	1.5485	1.5485	1.5485
U.S.	1.5485	1.5485	1.5485
Canada	0.75	0.75	0.75
Denmark	13.66	13.66	13.66
France	6.8275	6.8275	6.8275
Germany	2.3840	2.3840	2.3840
Italy	2036.26	2036.26	2036.26
Netherlands	16.4830	16.4830	16.4830
Portugal	200.48	200.48	200.48
Spain	166.64	166.64	166.64
Sweden	10.36	10.36	10.36
Switzerland	1.9835	1.9835	1.9835
UK	1.5485	1.5485	1.5485
USA	1.00	1.00	1.00

Belgian rate is for convertible franc. Financial Times 1.5485-1.5495. Six-month forward dollar 1.5485-1.5495. 12-month forward dollar 1.5485-1.5495.

EXCHANGE CROSS RATES

Country	Unit	Rate	% change
Argentina	Peso	100.00	-0.01
Australia	Dollar	1.5485	-0.01
Canada	Dollar	0.75	-0.01
Denmark	Krone	13.66	-0.01
Finland	Markka	5.94	-0.01
France	Franc	6.8275	+0.01
Germany	Mark	2.3840	-0.01
Greece	Drachma	340.75	-0.01
Hong Kong	Dollar	7.80	-0.01
India	Rupee	15.75	-0.01
Indonesia	Rupiah	1600.00	-0.01
Japan	Yen	238.75	-0.01
Malaysia	Ringgit	2.33	-0.01
Norway	Krone	13.66	-0.01
Philippines	Peso	50.00	-0.01
Portugal	Escudo	200.48	-0.01
South Africa	Rand	1.5485	-0.01
South Korea	Won	200.00	-0.01
Sweden	Krona	10.36	-0.01
Switzerland	Franc	1.9835	-0.01
Taiwan	Dollar	20.00	-0.01
Thailand	Baht	50.00	-0.01
UK	Pound	1.5485	-0.01
USA	Dollar	1.00	-0.01

MONEY MARKETS

Late easing in UK rates

UK clearing bank base lending rate 11 per cent (since January 12 and 13). Fixed period interest rates were slightly easier in late London money market trading as the testimony before the U.S. Congress of the Federal Reserve Board chairman, led to hopes of an early cut in the U.S. discount rate. On the other hand the substantial market shortage kept the seven day interbank rate firm through-out. Overnight money moved within a narrow range for the most part, but fell to 8 per cent towards the close before finishing at 11 per cent.

The Bank of England forecast a money market shortage of £500m, which was revised to £700m at noon. The main factors training funds from the market were: bills maturing in official hands and a take-up of Treasury bills from the market of £102m; the unwinding of repurchase agreements of £490m; Exchequer transactions of £50m; and a rise in the note circulation of £500m.

Almost all the assistance was provided before lunch when the authorities gave help of £373m, including outright purchases of £236m bank bills in band 1 (up to 14 days maturity) at 11 per cent; £299m bank bills in band 2 (15-30 days) at 11 per cent; and £20m bank bills in band 3 (31-60 days) at 11 per cent. Apart

from the £373m bills bought outright the Bank of England also purchased £236m bills for resale on February 23 at 11.11 per cent. In the afternoon £9m bank bills were bought outright in band 1 at 11 per cent.

In Paris the Bank of France offered to buy first category paper from the money market for value February 21, at a rate to be announced tomorrow. Call

LONDON MONEY RATES

Day's spread	Close	One month	Three months
Feb 16	1.5485	1.5485	1.5485
U.S.	1.5485	1.5485	1.5485
Canada	0.75	0.75	0.75
Denmark	13.66	13.66	13.66
France	6.8275	6.8275	6.8275
Germany	2.3840	2.3840	2.3840
Italy	2036.26	2036.26	2036.26
Netherlands	16.4830	16.4830	16.4830
Portugal	200.48	200.48	200.48
Spain	166.64	166.64	166.64
Sweden	10.36	10.36	10.36
Switzerland	1.9835	1.9835	1.9835
UK	1.5485	1.5485	1.5485
USA	1.00	1.00	1.00

ECG Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.27 per cent.

Local authorities and finance houses seven days' notice, other seven days' notice. Long-term local authority mortgage rates nominally three years 11.1 per cent; four years 11.1 per cent; five years 11.1 per cent; six years 11.1 per cent; seven years 11.1 per cent; eight years 11.1 per cent; nine years 11.1 per cent; ten years 11.1 per cent; eleven years 11.1 per cent; twelve years 11.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month bank bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

Approximate selling rates for one month Treasury bills 10.1 per cent; two months 10.1 per cent; three months 10.1 per cent; four months 10.1 per cent; five months 10.1 per cent; six months 10.1 per cent; seven months 10.1 per cent; eight months 10.1 per cent; nine months 10.1 per cent; ten months 10.1 per cent; eleven months 10.1 per cent; twelve months 10.1 per cent.

CURRENCY MOVEMENTS

Country	Unit	Rate	% change
Argentina	Peso	100.00	-0.01
Australia	Dollar	1.5485	-0.01
Canada	Dollar	0.75	-0.01
Denmark	Krone	13.66	-0.01
Finland	Markka	5.94	-0.01
France	Franc	6.8275	+0.01
Germany	Mark	2.3840	-0.01
Greece	Drachma	340.75	-0.01
Hong Kong	Dollar	7.80	-0.01
India	Rupee	15.75	-0.01
Indonesia	Rupiah	1600.00	-0.01
Japan	Yen	238.75	-0.01
Malaysia	Ringgit	2.33	-0.01
Norway	Krone	13.66	-0.01
Philippines	Peso	50.00	-0.01
Portugal	Escudo	200.48	-0.01
South Africa	Rand	1.5485	-0.01
South Korea	Won	200.00	-0.01
Sweden	Krona	10.36	-0.01
Switzerland	Franc	1.9835	-0.01
Taiwan	Dollar	20.00	-0.01
Thailand	Baht	50.00	-0.01
UK	Pound	1.5485	-0.01
USA	Dollar	1.00	-0.01

CURRENCY RATES

Country	Unit	Rate	% change
Argentina	Peso	100.00	-0.01
Australia	Dollar	1.5485	-0.01
Canada	Dollar	0.75	-0.01
Denmark	Krone	13.66	-0.01
Finland	Markka	5.94	-0.01
France	Franc	6.8275	+0.01
Germany	Mark	2.3840	-0.01
Greece	Drachma	340.75	-0.01
Hong Kong	Dollar	7.80	-0.01
India	Rupee	15.75	-0.01
Indonesia	Rupiah	1600.00	-0.01
Japan	Yen	238.75	-0.01
Malaysia	Ringgit	2.33	-0.01
Norway	Krone	13.66	-0.01
Philippines	Peso	50.00	-0.01
Portugal	Escudo	200.48	-0.01
South Africa	Rand	1.5485	-0.01
South Korea	Won	200.00	-0.01
Sweden	Krona	10.36	-0.01
Switzerland	Franc	1.9835	-0.01
Taiwan	Dollar	20.00	-0.01
Thailand	Baht	50.00	-0.01
UK	Pound	1.5485	-0.01
USA	Dollar	1.00	-0.01

Based on trade weighted changes from Washington agreement December 1971.

Bank of England index (base average 1975=100).

THE DOLLAR SPOT AND FORWARD

Day's spread	Close	One month	Three months
Feb 16	1.5485	1.5485	1.5485
U.S.	1.5485	1.5485	1.5485
Canada	0.75	0.75	0.75
Denmark	13.66	13.66	13.66
France	6.8275	6.8275	6.8275
Germany	2.3840	2.3840	2.3840
Italy	2036.26	2036.26	2036.26
Netherlands	16.4830	16.4830	16.4830
Portugal	200.48	200.48	200.48
Spain	166.64	166.64	166.64
Sweden	10.36	10.36	10.36
Switzerland	1.9835	1.9835	1.9835
UK	1.5485	1.5485	1.5485
USA	1.00	1.00	1.00

MONEY MARKETS

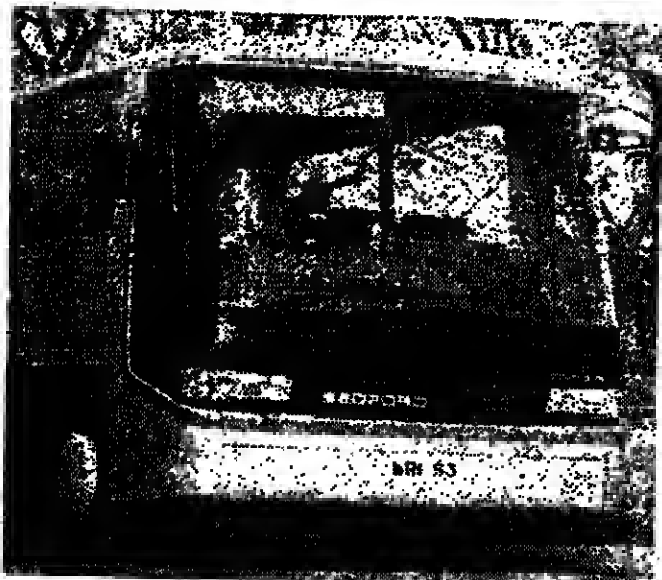
Late easing in UK rates

UK clearing bank base lending rate 11 per cent (since January 12 and 13). Fixed period interest rates were slightly easier in late London money market trading as the testimony before the U.S. Congress of the Federal Reserve Board chairman, led to hopes of an early cut in the U.S. discount rate. On the other hand the substantial market shortage kept the seven day interbank rate firm through-out. Overnight money moved within a narrow range for the most part, but fell to 8 per cent towards the close before finishing at 11 per cent.

LONDON MONEY RATES

11 11 11 11	11 11 11	11 11 11	11 11
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10 10 10 10	10 10 10 10	10 10 10 10	10 10
10			

FINANCIAL TIMES SURVEY



Bedford-design 53-seater with an aluminium body which goes into production soon in Northern Ireland



The Leyland Titan. London Transport orders for double-deckers are shared with Metro-Cammel

Buses and Coaches

THE BUS and coach industry—operators and manufacturers—is at a critical stage of its development. Since the 1980 Transport Act, there have been substantial changes in the structure of the coach sector with consequent effects on the manufacturing industry.

Bus services in the public transport area have been confronted with different issues—political and economic, which many operators believe can only lead to a further contraction of the sector.

In autumn 1980, licensing and fares control of express coach services was removed. The Government's aim was to stimulate competition in an area which had been tightly controlled, introducing the first major change in licensing procedure for 50 years.

The deregulation—or relaxation of controls, as some operators prefer to call it—applied only to the operation of services between two or more points, but not to so-called stage services with the exception of one or two experimental ones.

Measurement of the success or otherwise of the policy in statistical terms is not possible because the figures have not been collected. The use of more subjective means, however, makes some sort of assessment possible, leading to the conclusion that the customer at least has probably been the main beneficiary with lower fares and better service and comfort.

The initial response to deregulation was feverish activity

on certain plum long-distance routes, such as London-Glasgow, with new services being started in competition with the State-owned sector. Several independent operators, including Wallace Arnold and Grey Green, formed British Coachways as a marketing operation to challenge National Express, the express coach service subsidiary of the National Bus Company, and its Scottish equivalent, the Scottish Bus Group.

Luxury
Fares were slashed in a sector of transport which had normally been cheaper than the rail alternative, and new luxury services started up which offered superior facilities to the standard form of coach travel. National Express, however, quickly proved that it was not only in a position to react to the competition, but that it had also successfully anticipated it.

The competition has since intensified with British Rail introducing Saver routes, and Supercoaches, which the coach operators say are impossible to match.

Certain practical difficulties for the independent operators who were known for their fierce sense of independence also built up. The two major operators in British Coachways pulled out about 18 months ago, and the group—although still officially alive—is struggling to retain its purpose.

National Express, on the other hand, has clearly benefited in terms of passenger

growth: in 1981, the number of passengers carried rose to nearly 14m (9.2m in 1980). Growth in 1982 was not expected to be on anything like the same scale, but nevertheless has exceeded National Express' forecasts, at an estimated 8 per cent, with the result that 55-60 per cent of long-distance services in England and Wales are accounted for by National Express.

The gains of National Express have not all been at the expense of the independent operators. Several have formed joint operations with National Express, the independent operator contributing most of the equipment, and his local reputation, while National Express offers the facilities of its coach station at Victoria and national marketing facilities.

New services are still being set up by independents, Len Wright Travel, for instance, recently started a London-Manchester executive-style service. In general, however, the prospect of a "Laker of the coachways" emerging—as Mr Norman Fowler, the Transport Secretary, suggested when the Act was passed—seems remote.

The effects of the growth in long-distance coach travel, and particularly the rise of executive-style coach travel, has been important for the manufacturers. The demand for premium coaches has been satisfied largely by Continental companies, such as Bova, Van Hool, Daf, MAN.

Relaxation of controls is now producing benefits for the consumer and fierce competition among coach operators over long-distance routes. A general decline in bus use has resulted in part from inadequate policies, as Hazel Duffy reports

In the past few months, Hestair Dennis and Leyland Bus have brought out new models to compete with imported models. But the price competition and terms of sale will continue to make this a tough market for the British manufacturer to establish a reasonable share.

The 1980 Act has also led to an increase in commuter coach services, although the expansion has not been without its casualties, notably Olsen's in the Medway area, which collapsed a year ago. The operation of commuter coaches is finely tuned to the needs of the passengers—they must be reliable, and cheaper than British Rail—while the operator can find himself left with equipment which is unused for most of the

day awaiting the return of commuters.

Nevertheless, the concept has caught on in particular areas—the Medway towns, Berkshire, and parts of Surrey, where Epsom Coaches is about to start a new service to Victoria.

Profitable coach operations have traditionally helped to prop up the loss-making bus routes where they come under the same banner. This is the case with the National Bus Company's operating companies throughout England and Wales, and those services run directly by passenger transport authorities.

A national campaign launched late last year by the Bus and Coach Council, designed to stress the importance of the bus in the provision of public trans-

port, has drawn attention to the danger posed to cross-subsidisation by the competition on long distance coach services.

Bus usage has been declining in Britain for the past 30 years, a process which the BCC is hoping to arrest by demonstrating the importance of buses to those people who do not have access to cars as well as its potential for reducing traffic congestion if given greater priority in the total transport scene than at present.

The bus issue is tied closely to fare levels and the degree to which they are subsidised by national and local taxes, which in itself has become a highly political subject in the past 18 months. The Government's Transport Bill, which is expected to be enacted by the end of March, will stipulate guidelines around which it is deemed reasonable for authorities to subsidise fares from the rates.

The Bill has aroused intense opposition from the Labour-controlled metropolitan authorities and the Greater London Council, and may well not achieve the stability in fare levels which the Government says it wants.

Evidence that the decline in bus usage can be stopped if fares are very competitive is provided in some areas, notably South Yorkshire. Many Continental cities also have a more innovative policy towards bus transport, integrating it with metros and rail services where appropriate—a practice which

hardly exists in Britain outside Tyne and Wear.

The uncertainties surrounding local transport provision generally, and the phasing out in 1984 of the bus grant—designed to encourage bus operators to modernise their equipment—have been identified as major factors contributing to the problems in the bus manufacturing industry.

Most bus operators buy British-made buses, although Continental bus manufacturers, which generally speaking are part of the major commercial vehicle manufacturing groups, have made some inroads. Midland Red, for instance, recently took delivery of five MAN articulated buses which will operate in Redditch for a one-year trial period.

The bus manufacturers form a highly competitive industry which is intent on securing orders from authorities in countries which do not have an indigenous industry. To be successful, the manufacturers argue, they need a healthy home market.

Transfer

The announcement recently by Leyland Bus that it will close its Bristol plant and transfer double deck chassis assembly to Wokington, demonstrates the problems in a market in which sales have fallen from 2,277 double deckers in 1980 to a projected 1,100 in 1983.

Public subsidy is only a part of the formula that goes to make up bus operations. Most opera-

CONTENTS

Coach operators	II
Consumer's view	II
Profile: National Bus	II
Bus and coach makers	IV
Body builders	IV
Profiles:	
Wallace Arnold	IV
Scottish Bus	IV
Urban bus services	V
Public transport systems	VI
European bus builders	VI
Int. coach operations	VI

tors, London Transport being the major exception, have made nearly all their fleets one-man operations; the manufacturers have striven to incorporate greater operating and maintenance efficiency into their designs, and the so-called "second generation" rear-engined buses are overcoming many of the maintenance problems that beset the earlier designs.

New designs, some still at the development stage, leaning towards the guided bus concept, could, operate without drivers, are very much on the horizon. The bus industry has exciting possibilities, but the financial support afforded by some of the major commercial vehicle groups for their bus development plans will be hard for the British industry to match.

Leyland Bus—people movers of the World

Whatever your operational requirement Leyland Bus have a product to meet it—whether it be double, single or articulated buses, double or single deck luxury coaches.

Titan

World's most sophisticated rear engine air suspension, fully integral double decker.

Olympian

Latest design from Leyland Bus—rear engine, air suspension, perimeter frame, double deck chassis. Also available with up to 245 bhp on motorway coach configuration.

Atlantean

Britain's most popular double deck chassis—steel suspension, rear engine.

National

Britain's most popular integral single deck bus.

Artic

Maximum passenger capacity within 18m overall length.

Cub

Lightweight small psv chassis.



Tiger

Britain's most popular air suspension single deck chassis, high performance and comfort—Tiger meets Tempo 100 spec.

Royal Tiger

The new rear engine space frame from Leyland Bus. Full air suspension, high power and maximum luggage space. Royal Tiger meets Tempo 100.

Royal Tiger Doyen

The ultimate luxury coach—12m high floor, high performance, rear engine integral coach built entirely by Leyland Bus. Royal Tiger Doyen meets Tempo 100.

Apart from the Doyen Coachwork fitted to Royal Tiger, Leyland Bus also produces superb single or double deck bus bodywork.

Leyland

BUS

—People Movers of the World.

Leyland Bus, Bow Lane, Leyland, Preston PR5 1SN
Tel: (07744) 24241 Telex: 67515

BUSES AND COACHES II

Industry undergoing rapid change

BRITAIN'S bus and coach operators are experiencing a period of unprecedented change. Bus and coach travel is declining steadily in Britain, while it is expanding in almost every other country in the Western world, with the exception of Greece.

At the same time in Britain, the framework of law affecting the industry is changing rapidly, with much greater competition among express coach operators arising from the deregulation of this sector.

These changes, made possible under the Transport Act 1980, have simultaneously forced a virtual end to the practice of cross-subsidisation between commercial routes and unprofitable, socially-necessary ones.

It is argued by some operators and by the Bus and Coach Council, which represents public and private operators who run 98 per cent of the buses and two-thirds of the coaches in Britain, that this could lead to a further decline in the use made of buses.

Further problems for the industry are also forecast for the time, expected soon, when the Government imposes constraints on the level of support from rates for revenue from bus fares.

This is going through its final stages in Parliament and could be on the statute book by the end of March in time to influence the way passenger transport authorities and London Transport determine fare levels for 1993-94.

It is possible that one effect of the new legislation will be to force fares up by restraining the level of subsidy permitted for revenue support. The Government's transport statistics show that between 1975 and 1980, the bus fares index rose from 100 to 231. Over the same period the retail price index rose from 100 to 196.

On top of these changes comes the planned phasing-out of the new bus grant to operators. Grants towards the purchase of new buses were introduced under the Transport Act 1968, with the aim of making bus travel more attractive and more efficient. The grant was set at 25 per cent of the purchase cost in its first year of operation, 1969-70.

The Bus and Coach Council believes that the grant enabled the industry to modernise its fleets and take advantage of the latest technology.

The current plan is that the grant will be totally phased out by April 1 1994, with grant payable at 10 per cent for the final year, 1993-94.

Concern

The rate of change facing the bus industry, including abolition of the new bus grant, is causing concern among operators. The Bus and Coach Council estimates that the grant represented 20 per cent of all support for the industry in 1979-80. This support will have disappeared completely by spring next year.

Other changes are planned for the state-owned National Bus Company, the largest single operator in Britain and made up of 34 local and regional bus operators. The Government has imposed a tight financial framework for National Bus and at the same time has plans to introduce private-sector capital into some sectors of NBC's business. The rethinking is not complete, however, and the company, with Leeds Uni-

versity, is carrying out a major exercise to understand more about cross-subsidisation. The result, when the report is finished in September, could mean "some fundamental changes for us," Mr Brian Barrett, the company's group marketing manager, said. He is certain that the debate about cross-subsidisation, between profitable commercial routes and non-profit-making socially-important urban routes, would have come anyway. The Transport Act 1980 simply speeded it up.

National Bus has already started to switch resources "much more towards the express coach services," Mr Barrett said. With the decline in bus and coach patronage in Britain at a time of rising costs and fares, Government constraints on rate support for fares and the increasing attention paid to the efficiency of public transport, bus operators increasingly are examining local transport from the point of view of "need" for the service and are trying to separate this factor from "demand" for the service.

National Bus led the field in examining precisely what the passenger wants with its innovative Market Analysis Project, MAP. The results of this study have already been applied to almost all the NBC operations and the Scottish Bus Group and local transport in Southampton, Manchester and Brighton. MAP was done on catchment areas, where operators account for 70 per cent of the business with 17m passenger journeys. National Bus has a quarter of the market.

The business of buses and coaches under contract is again very largely dominated by the private sector, which had 80 per cent of the total market of 347m passenger journeys in 1981. National Bus and other public sector operators each accounted for about 10 per cent of the market.

Share

To the excursion and tour business using buses and coaches, the total market of 24m passenger journeys in 1981 is dominated by the private sector, where operators account for 70 per cent of the business with 17m passenger journeys. National Bus has a quarter of the market.

TURNOVER OF THE BRITISH BUS AND COACH INDUSTRY—1981

Stage	Revenue from Passengers (£m)	Support Payments to Operators (£m)	Fuel (£m)	Total (£m)	Support as % of Total
Express	41.1	—	—	41.1	—
Excursions and tours	53.9	—	—	53.9	—
Contract and private hire	330.6	—	—	330.6	—
TOTAL	1,735.8	498	93	2,344.8	21

† Includes compensation to operators for concessionary fare schemes.

Support payments to stage carriage operators (GB)

	1975	1980	1981
Local authority grants	407	336	400
New bus grants	68	89	56
Infrastructure	4	1	1
Depreciation and renewal from GLC	18	31	27
Capital grants from GLC	—	1	14
	497	462	498

Support Payments Index (1975=100) 100 81 100

Source: Bus and Coach Council, January 1983

The private operators also dominate the private hire bus and coach hire sector, with 86 per cent of the total market of 196m passenger journeys in the private hire sector, 5 per cent of the market and other public operators have 16m passenger journeys.

These figures show that National Bus had about a quarter of the total bus and coach market of 8,269m passenger journeys in 1981. Other public operators accounted for 55 per cent of the total and private operators had about 10 per cent of the market.

The figures show that the bus and coach market is diverse and subject to competitive pressures from the public and private sectors, even without the changes to the legal framework governing much of the industry. The Transport Act 1980 caused National Bus, as the largest single operator, to rethink its whole philosophy of cross-subsidisation. The rethinking is not complete, however, and the company, with Leeds Uni-

versity, is carrying out a major exercise to understand more about cross-subsidisation.

The result, when the report is finished in September, could mean "some fundamental changes for us," Mr Brian Barrett, the company's group marketing manager, said. He is certain that the debate about cross-subsidisation, between profitable commercial routes and non-profit-making socially-important urban routes, would have come anyway. The Transport Act 1980 simply speeded it up.

National Bus has already started to switch resources "much more towards the express coach services," Mr Barrett said.

With the decline in bus and coach patronage in Britain at a time of rising costs and fares, Government constraints on rate support for fares and the increasing attention paid to the efficiency of public transport, bus operators increasingly are examining local transport from the point of view of "need" for the service and are trying to separate this factor from "demand" for the service.

National Bus led the field in examining precisely what the passenger wants with its innovative Market Analysis Project, MAP. The results of this study have already been applied to almost all the NBC operations and the Scottish Bus Group and local transport in Southampton, Manchester and Brighton. MAP was done on catchment areas, where operators account for 70 per cent of the business with 17m passenger journeys. National Bus has a quarter of the market.

Share

To the excursion and tour business using buses and coaches, the total market of 24m passenger journeys in 1981 is dominated by the private sector, where operators account for 70 per cent of the business with 17m passenger journeys. National Bus has a quarter of the market.

TURNOVER OF THE BRITISH BUS AND COACH INDUSTRY—1981

Stage	Revenue from Passengers (£m)	Support Payments to Operators (£m)	Fuel (£m)	Total (£m)	Support as % of Total
Express	41.1	—	—	41.1	—
Excursions and tours	53.9	—	—	53.9	—
Contract and private hire	330.6	—	—	330.6	—
TOTAL	1,735.8	498	93	2,344.8	21

† Includes compensation to operators for concessionary fare schemes.

Support payments to stage carriage operators (GB)

	1975	1980	1981
Local authority grants	407	336	400
New bus grants	68	89	56
Infrastructure	4	1	1
Depreciation and renewal from GLC	18	31	27
Capital grants from GLC	—	1	14
	497	462	498

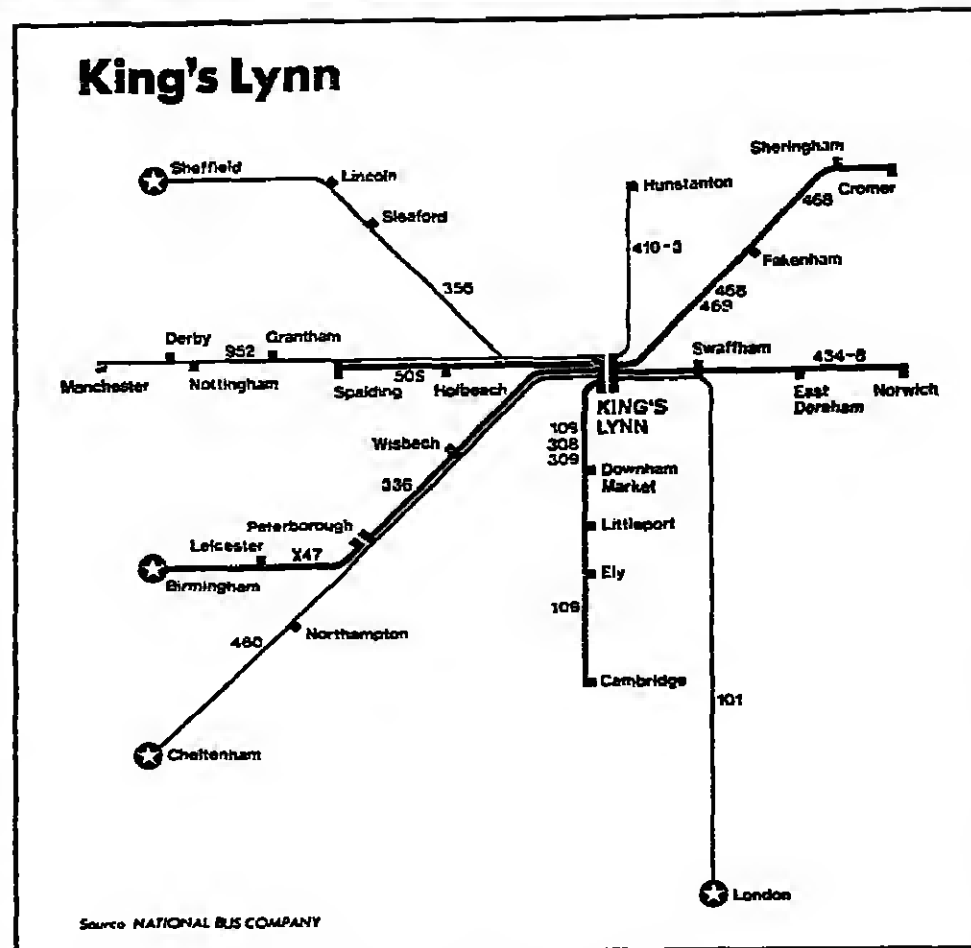
Support Payments Index (1975=100) 100 81 100

Source: Bus and Coach Council, January 1983

The private operators also dominate the private hire bus and coach hire sector, with 86 per cent of the total market of 196m passenger journeys in the private hire sector, 5 per cent of the market and other public operators have 16m passenger journeys.

These figures show that National Bus had about a quarter of the total bus and coach market of 8,269m passenger journeys in 1981. Other public operators accounted for 55 per cent of the total and private operators had about 10 per cent of the market.

The figures show that the bus and coach market is diverse and subject to competitive pressures from the public and private sectors, even without the changes to the legal framework governing much of the industry. The Transport Act 1980 caused National Bus, as the largest single operator, to rethink its whole philosophy of cross-subsidisation. The rethinking is not complete, however, and the company, with Leeds Uni-



Example map of the kind National Bus plans to use in its new marketing campaign. Each town and city is to be shown at the centre of the network so that passengers will be using a "tailor-made" service

With stage carriage bus services showing the greatest rates of decline in the bus business according to National Bus, the company's emphasis is on encouraging a redistribution of the available market. "At the moment there is too much public transport chasing too few passengers," Mr Barrett said.

Part of National Bus's new strategy involves a deliberate move away from cross-subsidisation of routes towards a "market segmentation" approach based on separate revenue and cost relationships. "Cross-subsidisation is wrong in business, operating and moral terms," Mr Barrett said, "and the more the industry declines the less we are able to cross-subsidise."

But that is not to say that loss-making rural services should not be supported financially by somebody. "If all bus services had to cover 95 per cent of their costs, then at present 80 per cent of rural services would not be provided."

Marketing

A crucial element of National Bus's evolving market strategy involves the identification of what it describes as a "promotable product," as opposed to a socially necessary service, which is in decline.

The idea is for National Bus to start marketing its services from individual towns and cities as if, from the viewpoint of the passenger, each town were the centre in Britain for bus services.

No longer will local bus maps show London as the inevitable starting point for services. Instead, to take King's Lynn, as an example, it will be shown to have its own bus network radiating out from the town. London becomes just one of several destinations on the end of the "King's Lynn bus network."

Every town over 50,000 people is to have its own network and map, and possibly also every town over 25,000 people. National Bus plans to provide this "tailor-made" service by combining the best existing stage carriage inter-urban services in an area, with regional express buses and National Express buses.

These maps and the service will be one of our best selling advantages over British Rail, which does not have the network to do the same," Mr Barrett said.

Lynton McLain

Consumers seek better services

THE SEVERAL hundred consumer activists from all parts of the country who will meet in Sheffield next month for the annual National Consumer Congress are certain to have one issue in particular on the agenda: the problems of transport facilities, especially bus services in rural areas.

Two years ago, a special poll of delegates to that year's congress revealed that such transport issues were given the highest priority for action by the various consumer lobby groups.

Since then, a number of special reports have been published by these groups with a dual purpose in mind: to increase consumer representation in the transport industries, and to improve services for the less fortunate user of bus and coach facilities.

The reason for consumer activists focusing so much of their attention on bus services in particular was highlighted by a recent report from the Bus and Coach Council. This revealed that 16m people in Great Britain live in households where there is no car and, even in households with cars, many women do not have access to the family car.

Research has also shown that seven out of every ten women do not have driving licences.

According to the report: "There are many women who are completely reliant on the bus for their mobility, especially for shopping or travelling to work." In addition, about 60 per cent of women now go out to work and they account for a large proportion of bus use.

The report also stresses that pensioners, children and young women are particularly dependent on bus services.

According to research carried out by the National Consumer Council, consumers were most concerned about three main areas of public transport: its cost, its availability and frequency, and its quality (such as reliability,

comfort, and cleanliness).

Not surprisingly, fares were the greatest cause for concern. Some 51 per cent of bus users in the survey (which covered 2,000 consumers) felt that bus fares were unreasonable—about the same number as felt similarly about train fares. However, only 15 per cent thought that coach fares were unreasonable.

On the information provided about bus services, only a minority—8 per cent—reported difficulties. Following up research found that these consumers were most worried by: changes to schedules (often without notification); the absence of information at bus stops; lack of printed timetables; and a lack of information about unreliable services.

Late for work

In one survey a man in Scotland commented: "The bus services were all changed and we were not notified; I was late for work one morning because the bus came early." I inquired at the Transport Office and they didn't know the times of the buses were changed."

The NCC, in its conclusion to the research work, argues that if the transport system is to be designed and operated with the user in mind, then attention must be devoted to:

- Charging fares that are reasonable, and providing mechanisms to ensure that the best possible services are provided at the most efficient cost;
- Providing services that adequately meet users' needs in terms of availability and frequency;
- Ensuring that services are of adequate quality;
- Providing the means to allow users to voice their dissatisfaction, and more constructive comments.

The report says that there are no new consumer transport policies being advocated; rather that "it is perhaps depressing that so many of the old arguments remain unheeded and unanswered."

David Churchill

Pressure on the State-owned company to cut uneconomic services

National Bus given tight rein on costs

THE STATE-OWNED National Bus Company is by far the largest bus and coach operator in England and Wales. It is the holding company for 34 subsidiary companies which operate 15,000 buses and coaches on a regional basis, providing a comprehensive service of local bus services in cities, towns and rural areas.

The largest part of its turnover is generated from stage carriage operations, ie, the provision of stopping services. The National Bus also operates National Express, providing long-distance coach travel, and National Holidays, and is also involved in coach hire operations.

The company, working to a tight financial regime set by the Government, has made no secret of the fact that, along with productivity improvements, it can live within this regime only by reducing the mileage of its uneconomic services. Lord Shepherd, chairman, emphasised in the last annual report that mileage cuts of 8 per cent were necessary to re-establish financial stability and take the first steps towards meeting the financial target set by the Government.

He said that "little consultation would be drawn from a cut of this magnitude. For two years in succession we have had to sustain severe reductions in manpower, mileage and frequencies—a very high price to pay for successful financial performance, both for our own staff and our customers."

National Express, operating in the competitive express coach travel market opened up by the 1980 Transport Act, is a quite different proposition. Many observers of the coach business regard National Express, perhaps ironically, as the greatest beneficiary of the liberalisation of coach licensing.

The new awareness of coach travel ushered in by the legislation found National Express ready to meet the challenge posed by new low fares and a public demand for executive-style coach services. National Express estimates that it now accounts for between 55 and 60 per cent of express coach travel.

National Bus has also been quick to seize other opportunities to expand services where possible with the provision of new airport coaches and increases on some Green Line services, shopper buses, community buses, and so on.

Provision for introducing private sector capital into National Bus was made possible in the 1982 Transport Act as part of the Government's plans for privatising parts of the public sector.

The Government's intention is that this should apply to a profitable part of National Bus operations, ie the coach activities.

National Bus has resisted the plans vigorously, except where they relate to the development of property owned by National Bus, on the grounds that it is an integrated company and that the activities of some parts of



Lord Shepherd: a call for rules

the company must rightly subsidise the activities of others. Lord Shepherd argued last summer that it is important for the commercial activities of National Bus to be allowed to support socially necessary services, and called for "nationally agreed rules" on the degree of cross-subsidy between the commercial and the social routes. At the same time, however, he has welcomed the opportunities presented by private capital participation in property development, which will enable National Bus to improve its passenger coach and bus stations.

Merits

There has been little progress on the merits or otherwise of National Bus operating as an integrated company although the impression is that the Government is not pushing the issue very hard at the moment.

On another issue which National Bus is hoping will be resolved by the Government, the change in the National Bus capital structure to remove its debt burden—a decision is still awaited. Consultants commissioned jointly by the company and the Department of Transport reported last year recommending "a new method of allocating interest" between subsidiary companies.

Relations between National Bus and its sponsoring department in government have been generally good over the years, the company often being regarded as a model of rectitude in its achievements on productivity and the way that it has slimmer its business to stay within its financial regime.

These two issues, however, have weakened the relationship to a certain extent, while there is a definite unease on the part of NBC as to how much it should have to reduce its provision of socially desirable services in meeting government targets.

Hazel Duffy

NATIONAL BUS OPERATIONS

Financial results to December 31 1981

	Total	National	National	Stage
	£000	£000	£000	carriage
Turnover	616,736	42,000	16,983	557,751
Working profit*	19,574	3,990	588	15,583
Working profit/(loss)**	19,574	318	(32)	19,583

* Based on the contribution account costing for National Express and National Holidays, as they are supplementary to the main operation of stage carriage.

** Based on full allocation of costs to each of the three sectors of business.

COACHES AND BUSES FOR U.K. AND WORLD MARKETS...

There's a world of style, technology and innovation at Duple International. As Britain's leading coach and bus manufacturer, we have a well proved and successful range of products which suit individual operator requirements. Our luxurious continental touring and express coaches are well-known in the U.K. market and we are equally familiar with the production of double-deck buses for Asian cities and rugged service buses for Africa. These can be

assembled in each individual country and supervised by our specialist engineers. Duple product engineering gains from this truly international experience.

With a well organised parts and service back-up, Duple works regularly with all the major chassis manufacturers. We have satisfied customers for our products and services throughout the U.K. and in four continents worldwide.

...A TRULY INTERNATIONAL PRODUCT RANGE



DUPLÉ INTERNATIONAL
Travelling in style

U.K. and Europe Enquiries
DUPLÉ COACHBUILDBERS LTD., VICARAGE LANE, BLACKPOOL FY4 4EN Tel: 0253 62251 Telex: 67135
World Wide
DUPLÉ METSEC LTD., BROADWELL WORKS, BIRMINGHAM ROAD, OLDBURY, WARLEY,
WEST MIDLANDS B69 4HE Tel: 021-552 2929 Telex: 337353

ADVERTISEMENT

VOLVO BUS REVIEW

MAJOR EXPANSION OF VOLVO DOUBLE DECK BUS RANGE AND IRVINE Ayrshire FACTORY

Further investment at UK plant for Volvo Citybus production

Volvo has announced that it is making further substantial investment in its £35 million truck and bus manufacturing plant at Irvine in Scotland by building a new production facility for the company's new Citybus double decker.

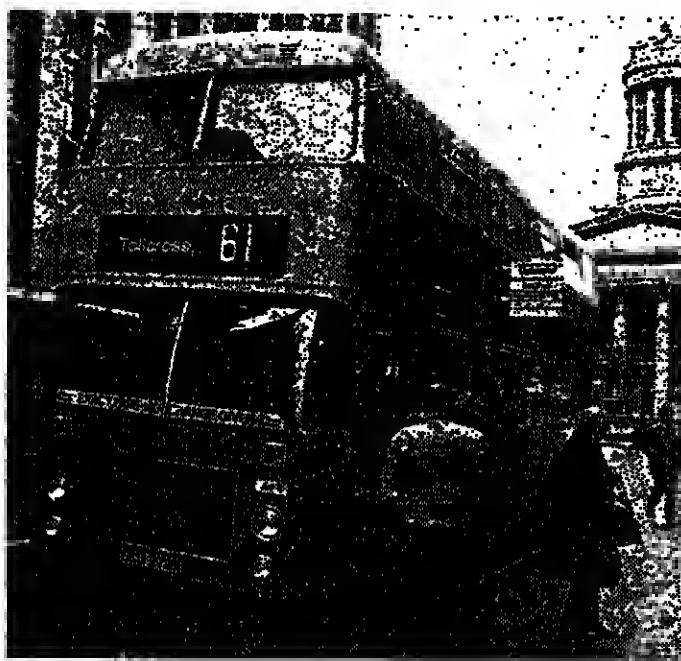
The new Citybus mid-engine chassis, designed by Volvo's British engineering team at Irvine in conjunction with their Swedish counterparts, now joins Volvo's very successful B55 Ailsa front-engine double decker, also built at Volvo's 75-acre UK plant.

Some £340,000 will be spent on developing the manufacturing facility for Citybus chassis which will enter full production in the autumn, doubling bus chassis/kit output capacity to 400 units a year. The new production lines will be in addition to the existing truck and bus plant established in 1975 and currently producing a wide range of British-designed and built six- and eight-wheel rigid trucks, articulated tractors, a range of specially designed commercial vehicles for overseas, and Ailsa bus chassis for both home and export markets. This existing plant currently has a production capacity of 2,000 vehicles per year.

The new Citybus, announced at last year's Motor Show, is currently on an introduction programme covering local bus authorities throughout the UK, many of whom already operate Volvo's front-engine Ailsa bus chassis.

Since the announcement, overseas inquiries for the Citybus are encouraging and Volvo Bus of Great Britain General Manager Sandy Glennie is confident that this latest chassis will eclipse the export success already achieved by the Ailsa chassis. Volvo Bus is currently handling inquiries from many countries in the Far East including Singapore, Hong Kong, Thailand and some countries in South America, where there is a rekindling of interest in the double-deck concept. It is the export business which highlights the strength gained by Volvo Bus of Great Britain by being part of Volvo's worldwide activities. The British designed and built double decker bus chassis is proving a welcome, and profitable addition to the wide range of single deck buses, luxury coaches and articulated psv vehicles made by Volvo factories around the world.

With 90 per cent of the



This Volvo Citybus has been working "in disguise" with Strathclyde PTE on Glasgow's busy city streets for several months now. Working normal routes carrying thousands of unsuspecting passengers, the Citybus has covered 30,000 miles operating on average 13 hours a day, 7 days a week schedule. No major problems or failures have occurred in this time and fuel consumption figures of well over 6 mpg are being achieved.

Ailsa chassis components being sourced from British automotive companies the export success has proved a welcome fillip to hard pressed UK component manufacturers.

The new Citybus follows this British sourcing policy and a long list of UK materials and components are included together with bodies from major British bodybuilders. Volvo purchases from UK suppliers currently total a record £440 million a year. The new Volvo Citybus is unique in the UK market in that it incorporates a mid-underfloor engine, an ideal position to provide the optimum safety with balanced handling and braking irrespective of passenger loading. Full air suspension ensures maximum passenger comfort while a major advantage to operators will naturally be the remarkable low overall weight of the complete bus, 9.2 tonnes making it among the lightest double deck buses available—some 15 per cent lighter than comparable specification vehicles and a factor which will have a major influence on fuel savings.

The Volvo philosophy of a

strong, robust, high strength chassis frame is continued in the Citybus with a jig welded twin spine design with full peripheral framing. This framing has two main functions, to provide bodybuilders with a simple mounting frame to give total structural integration with all types of body and to provide a strong safety "skirt" all round the chassis to give maximum protection to the bus and its occupants.

The bus is powered by the newly developed "E" series Volvo engine, the horizontal THD 100 TD 100EB 9.6 litre power pack producing 150 kW (201 bhp) at 1,500 rpm. This latest power unit in the Volvo family of compact, powerful turbocharged engines proven in worldwide usage to provide high levels of reliability and economy. Volvo, originators of many automotive innovations to the years, pioneered the use of turbocharging some 30 years ago and were the first to employ the technique in buses and coaches.

The positioning of the engine under the floor in the centre of the chassis gives a large clear

floor area in the lower saloon, enabling maximum passenger capacity. Eighty-six seats are accommodated in the 9.7 metre Citybus, while the weight distribution allows for a further 20 standing passengers without any encroachment of the large entrance area.

To cope with dense traffic, the Citybus incorporates power steering with five turns lock to lock which, combined with a maximum front wheel angle of 50°, makes the new chassis highly manoeuvrable.

Available in a range of lengths and wheelbases to suit all type of operation, the Citybus design can also provide for centre exits, or if preferred, a rear platform exit. Close liaison with bodybuilders has ensured that the chassis is ideal for all types of bodywork and bodies are already approved from Alexander of Falkirk, Northern Counties, East Lancs, Marshalls, Duple and Eastern Coachworks.

Volvo Bus of Great Britain is confident that the new Citybus will further improve its market share in this country. Last year the company increased its penetration of the double deck market sector to 5 per cent and that in a year when the overall market dropped dramatically. To that must be added the 100 or more Ailsa chassis built and shipped overseas, mainly to Indonesia. With the addition later this year of the mid-engine Citybus running alongside the Ailsa, expectations are high for continued increases in both home and export markets.

Much of Volvo's success in the UK is related to the British company's compact size and flexible manufacturing facilities enabling a "personal" service to be offered to the specialised bus market.

PRODUCTION

Worldwide production of bus range

The vehicle manufacturing plant established by Volvo in Scotland, where the new Citybus will be manufactured in a brand new double deck production facility, is one of four Volvo bus chassis production

bovercraft type carriers. A team consists of between five and 12 members. All receive the same wage and are responsible for the inspection of their own work leading to high levels of quality. Other Volvo bus production



The Volvo B10M articulated coach in service with New Jersey Transit Corporation, USA. These buses are to be built at Volvo's newest plant being established at Chesapeake in Virginia.

plants and another nine assembly plants around the world manufacturing a wide range of public transport vehicles for varying operating conditions. The third largest producer of bus chassis (12 tons and over) in Western Europe and the world's second biggest exporter of bus chassis, Volvo's main production plant is at Borås in Sweden, set up in 1977. This modern purpose-built plant has an annual production capacity of 3,600 complete chassis plus some 2,000 chassis kits for assembly abroad.

The Borås plant, like most of Volvo's production facilities, does not have a conventional assembly line. Instead personnel work in teams and the chassis components are moved from team area to team area on

plants are established in Belgium and Brazil. Assembly is also carried out in Portugal, Greece, Morocco, Australia, New Zealand, Peru, Venezuela, Malaysia, and Indonesia.

The latest plant to be announced is in the USA where pilot production of articulated buses has just commenced at Chesapeake in Virginia.

The 18-metre articulated buses to be produced in America are to be built on Volvo B10M mid-engine chassis and will carry 110 passengers. A 12-metre bus for city operation is also planned.

One bus of each type has been in service with New Jersey Transit Corporation, USA, and first reports on these test vehicles show excellent fuel consumption figures.

APPLICATION

Motorway coach reliability record



This Volvo B10M coach is just one of the 60 express coaches operated by various companies on the intensive London-Glasgow route. In two years of daily service, this Cotnam Coachliner has clocked up over 600,000 kms (375,000 miles) of trouble-free service with no on-road breakdowns, carrying 25,000 passengers at an average

fuel consumption of between 9 and 10 mpg. Such results have made Volvo a main contender in the coach market sitting at the number two position today with 16% of the market. Several companies are now looking at the new Volvo "Citybus" double-decker as the next possible development in the motorway express field.

AFTER SALES SUPPORT

Major expansion programme

Volvo's phenomenal rate of success in the UK since the marque was introduced in 1967 owes much to the after-sales support programme initiated from day one. Buses, coaches and trucks were supported by a nationwide network of service points offering fast parts supplies and comprehensive service facilities.

A major re-investment programme has just been announced which is solely concerned with further enlargement and improvement of these support services.

More service points have been added to the Action Volvo emergency roadside assistance scheme, available on a single Freefone call asking the operator for Action Volvo—no phone number to remember. Standard charges have been established throughout the country for recovery and roadside van assistance, whilst towing and van service charges for Volvo vehicles under warranty have been abolished entirely. For coach (and truck) opera-

tors running to Europe Volvo DKV credit cards are available to cover the cost of repairs, fuel, ferry and toll charges, restaurant costs, etc. thus eliminating the need for drivers to carry "reserve" cash.

Thirty-two coach specialist workshops are available in the UK as from January 1983 backed up by three major unit stockists located strategically in Scotland, North Midlands and London. Coach specialist workshops are established on all European main routes. They are supported by Action Volvo Service Europe, a single phone number 24 hour rescue and assistance facility.

The new Citybus will also benefit from the unique Volvo PartsPlus scheme, numerous reduced prices on matched parts available from stock on a free van delivery basis. These genuine, guaranteed, Volvo parts are carefully priced to cost less than spurious or will-fit parts—and carry a "substantial damage" warranty.

PLANNING

Traffic Planning Services

Many transport authorities throughout the world now use the comprehensive traffic planning consultancy services available from Volvo Transportation Systems. Years of experience in this field means that Volvo offers more than just the hardware for public transport. It studies, evaluates and analyses existing systems and plans new programmes to help ensure that public authorities—and their customers—get the most efficient and economical bus service.

In countries as far apart as Pakistan and Angola, Singapore and the USA, Kuwait, Thailand and Great Britain, Volvo is assisting authorities in planning tomorrow's transport systems.

Areas covered by this work include management structures, company resources, fleet and personnel's technical assistance, training, depots and workshops; transport planning, travel demands, routes, adaptations of vehicles; traffic supervision, control and ticket systems, time-



Planning tomorrow's public transport systems by solving today's problems.

table planning; parts supply, order systems, stocking and training. Involved in traffic planning

systems since 1973 Volvo has developed a comprehensive data bank of computer-based methods to analyse existing travel and traffic patterns then propose and evaluate alternatives for the future.

A preliminary study in Coventry has yielded good results and now led to a programme for London Transport to examine and analyse route networks and traffic patterns in areas of Southern London with the aim of rationalising network and operations to achieve higher efficiency without loss of service levels for passengers.

Such transport planning is not confined to bus operation. The accumulated experience and specialist knowledge can also be applied to other areas such as hospital or school transport and currently Volvo experts are producing a computerised fleet management system for the taxi fleets in Sweden's three main cities, Stockholm, Gothenburg and Malmö.

DEVELOPMENT

Research on Battery Flywheel and Methanol Buses moves ahead

Leading world bus manufacturer Volvo has released details of development projects it has been working on for some time which could well revolutionise public transport in the future.

Two specially developed "battery" buses are just going into service on one of Stockholm's busiest city routes. The Transit Board of Stockholm Public Transport has initiated the project with funding from the Swedish State. These prototype buses, with "light-weight" bodies, are fitted with British produced Chloride batteries.

Carrying 64 passengers the battery bus has a maximum speed of 65 km/h and the batteries store enough power for 4 hours' driving in city traffic. The buses will operate on normal routes in Stockholm for two years.

A Volvo development project with promising new technology

is the energy-saving, environmentally "clean" flywheel bus which, besides taking power from a small diesel engine, also absorbs energy from the brakes. The energized flywheel then supplies power by hydraulic system to the road wheels. This prototype bus is showing savings of 15-25 per cent in fuel consumption. The bus can run for over a kilometre with four bus stops on the flywheel alone with no noise or exhaust emissions.

The project has been under way for several years and is now approaching the technical level to be tested in normal traffic conditions. Volvo Flymotor AB, producers of the flywheel components, are in advanced discussions with five public transport authorities from some of Europe's largest cities. The flywheel concept is also showing possibilities in mass transit

underground systems. Many alternative types of fuel have been examined by Volvo research and development staff and "two fuel" articulated buses using methanol and diesel have been tested in city traffic for two years to produce valuable data for future work in this area.

To develop many new approaches to bus design and operation, Volvo has installed a complete city bus system in Halmstad, Sweden, where new ideas are put to the practical test. This on-going "in-service" project has produced a wide and varied number of new approaches and serves to highlight Volvo's practical approach to today's transport problems. This system features raised platforms with specially designed buses to achieve quick and easy passenger circulation and shorter stopping times.

Thrifty, nifty and...
British into the bargain.

Citybus

The way to take your ratepayers along with you.

- Minimum maintenance life-cost
- Lowest weight double-deck chassis
- Maximum passenger capacity
- Fuel-efficient performance
- Engineered to protect the environment
- Complete body design freedom

There's something in it for everyone.



VOLVO
VOLVO (UK) BUS & CO. LTD. Great Britain

BUSES AND COACHES IV

Scottish group profitable though stretched from London to Highlands

THERE IS a lot of Scotland and not many Scots, so it is difficult to run a bus company there. Yet the Scottish Bus Group, operating 3,400 buses over 120m miles a year throughout 30,000 square miles of Scotland, manages to make profits.

The £3.5m surplus in 1981 accounted for just under half of the £7.4m profits of the Scottish Transport Group, the state-owned conglomerate covering ferry and road haulage services along with insurance, travel advertising, public relations business, and the buses.

Scottish Bus Group coaches cover the long haul to London

where they carry three quarters of the 1m passengers a year despite competition from private bus owners.

Here the Scottish Bus Group has consciously stayed clear of the extras such as meals, hostesses and en-route video to provide an £8.50 one-way trip relying on the advantages of terminals at both ends with onward services.

But the heart of the group's activity is the inter-city, inter-Scottish routes. It is here that the main problems occur as well, for the social costs of running buses in Scotland is high—too high in the view of Mr Ian Irwin,

managing director of the Scottish Transport Group.

He has cut the cost of running the buses acting on the results of an extensive marketing survey which identified route demand and showed how operating efficiency could be increased. But the combination of increasing costs for far-flung services on unprofitable routes, reduced financial support from the regions to operate these routes, fewer passengers overall and the dangers of fare increases, pose a threat to the group's profit figures.

Mr Irwin, from his Edinburgh headquarters, has a

duty to run a social service and send buses deep into rural areas where they do not pay. But he also has to service the profitable areas such as those carrying workers from outlying towns into Glasgow. However, the bus group needs more financial support from the regions to help run the unprofitable routes, amounting to about 6.5 per cent of costs.

Social duty

The regions, though having increasingly tight budgets and the Government is currently putting pressure on them, threatening to reduce rate

support grants in cases of excess expenditure. The Government too expects the bus group to carry out its social duty but wants it to perform commercially as well.

The bus group can raise fares but only at the cost of increasing the exodus of passengers from the buses.

Over the years as the bus group has operated in the unprofitable areas it has absorbed regional services. In 1980 it received between £9m and £10m from the regions in support.

This revenue from the regions today is about half what it was in 1980, whereas the group needs about £13m

to meet the costs of these services. The fall has resulted largely from a decrease in support revenue from the largest regions, Strathclyde and Lothian, compounded by the impact of higher running costs and inflation.

Mr Irwin has encouraged regions to develop economic ways of running their own rural services, using micro-buses to combine postal and parcel deliveries and pick up passengers in areas where normal services cannot pay.

But the response has been limited. Although he is unlikely to win further government assistance, Mr Irwin

hopes that some of the more wealthy regions will accept that a margin of their support could be earmarked for regions such as the Highlands.

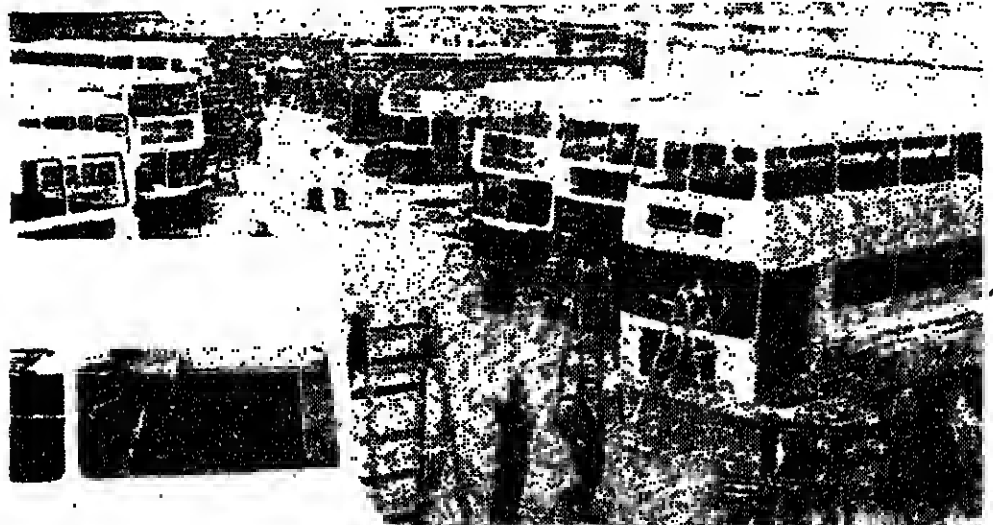
At the moment each region has a cost accounting system for its bus service so that wealthy regions do not end up subsidising the costs of the poorer areas.

The bus group is hoping to change this thinking somewhat as, throughout the UK, the bus services try to increase government awareness of the costs involved and try to win back passengers.

Mark Meredith



Mr Ian Irwin, encouraging for rural services in the regions



Above: Double-deckers being built at the Northern Counties plant at Wigan and (right) Mr Richard West, managing director of Duple, on the Blackpool production line



Body builders launch new luxury model

THE UK coach market last year, at about 1,800 units, offset for Britain's independent bus and coach body builders the disastrous slump in UK bus sales. The severity of the fall in demand for buses, caused primarily by the withdrawal of bus grants, can be seen in the collapse of the single decker market from 700 in 1979 to 138 last year, with the double decker market faring little better.

Even so, the coach market has contracted over the same period from 2,600 in 1979. More significant, however, is the fact that the coach industry is undergoing a transformation in the types of demand. One result has been that whereas in 1979 only about 30 units—3 per cent of the total—were supplied by imports, the level had risen to 22 per cent by 1981 and probably reached 30 per cent last year.

The main reason for the import upsurge is a major change to coach usage in the past four years, according to Mr Richard West, who is managing director of Duple Coachbuilders, the Blackpool-based maker of 600 built-up coaches and buses a year. Its sister company Duple (Motocel at Birmingham) produces another 500 to 600 bus and coach body kits a year, mainly for export to Third World markets.

Until very recently most UK coaches were developed primarily for use inside the UK. Typical mileages were about 40,000 a year. Now, however, many more coaches are involved in long-distance European work and are providing, says Mr West, "virtually bus service" for the continent. The investment turned 1981's slim pre-tax profit of £38,000 into a pre-tax loss of £95,000 last year. But again the pay-off is starting to show through with the order book fuller than at the same time last year.

Duple has continued to perform well in overseas markets. Duple Metsec's managing director, Mr Jeremy Stokes, says it is the company's strategy of offering flexible packages which has enabled it to survive against cheaper Japanese competition.

In several recent export deals, Metsec has provided packages which cover a three-year period, have no on-unit supply of built-up buses as the forerunner of first local assembly, then a swift rise in local content. "The developing countries no longer want any old piece of tin. And they want to be able to say that these buses are made locally. We go along with that. You won't see Duple anywhere on our buses now, operating in Jakarta, for instance."

While Plaxton's and Duple dominate the UK coach body market, they do not monopolise it. Among the smaller builders continuing to find market niches, Robert Wright and Sons of Balmalma has also launched its own Continental-type competitor in the form of the Contour, an aluminium coach body of Bedford design and using Alusuisse's rigid aluminium body structure system. With flush-driving windows and faired wheel arches, it is both aerodynamically efficient and aimed at the top end of the coach market with prices starting at over £38,000.

John Griffiths

All-round cuts as capacity is trimmed to demand

THE YEAR started badly for the UK bus manufacturing industry. After giving repeated warnings during the past two years that Britain had too much bus manufacturing capacity, Leyland Bus, the BL subsidiary, announced it was to close its Bristol Commercial Vehicle (BCV) plant by November with the loss of all 530 jobs.

Leyland Bus plans to switch production of the Olympian double-deck bus chassis to its plant at Workington, Cumbria, and the component operations will be moved to the Farlington plant at Leyland, Lancs, which already makes the majority of the Olympian's components.

With one blow, Leyland Bus is reducing its 4,900 current workforce by 11 per cent.

Closure of the BCV plant will leave it with four others. Apart from Workington, where the Titan double-decker, Leyland National single-decker, and the Railbus are assembled, and Farlington, which makes mechanical units such as gearboxes and axles and accounts for about half Leyland Bus's workforce, the company also owns Charles H. Roe in Leeds, maker of double-deck bus bodies and the new Royal Tiger luxury coach, and Eastern Coachworks, Lowestoft, also a double-deck bus body builder.

Mr Ken Macleir, managing director of Leyland Bus, explained that the company simply could not avoid a cut in capacity. He blamed "an

unprecedented decline" in demand for buses in the UK, mainly due to reductions in public expenditure and the phasing out of the Government grants towards the rest of new buses.

UK demand for double-deckers was unlikely to reach again the 2,500 seen in 1980. Sales for the industry as a whole fell to 1,495 last year and Leyland Bus forecasts they will drop to under 1,100 in 1983.

BCV, which produced 470 bus chassis last year out of the 1,000 that Leyland Bus (down from 1,950 in 1980) was the inevitable choice "due to its size and the age and condition of its buildings which mean it has a very limited potential."

Mr Macleir told trade union representatives that BCV incurred its first-ever loss in 1982 but did not give any detailed figures. Leyland Bus as a whole traditionally has been a good money-spinner for BL, but the industry would be surprised to find the company in the black for 1982.

Compounded

Its problems were compounded by the even more severe drop in single-deck bus sales. Leyland Bus has 99 per cent of UK sales in this sector which has seen registrations plummet from 950 vehicles in 1979 to only 138 last year. Leyland forecasts demand will be only 100 in 1983.

With no growth predicted for buses in the foreseeable future, Leyland Bus has been beefing up its coach manufacturing operations—where the prospects seem better.

The launch of the Tiger coach just over a year ago increased Leyland Bus's share of the UK coach market from 27 to 35 per cent and it has orders for about 600.

More recently, Leyland Bus introduced (in November) the Royal Tiger Doyen, Britain's first integral (chassisless-constructed) coach in an attempt to claw back business lost in the luxury coach market to importers such as Bovis, Daf, MAN, Neoplan, Setra and Volvo.

Luxury models now account for one in ten of all coaches sold in Britain. Leyland actually was the second UK manufacturer to get into this part of the market. Hestair Dennis, based at Guildford, Surrey, introduced at the Birmingham Motor Show last autumn its Dorchester mid-angled premium coach.

Hestair Dennis helped keep its 800 workforce busy also by moving into the standard coach business to a significant way with the Falcon, a rear-engined vehicle which has won an order from National Bus.

Mr Richard Owen, bus sales director at Hestair Dennis, well-known for its special vehicles such as dustcarts and fire engines, says his company has been reasonably successful

in penetrating the double-deck bus market and with the launch of a single-decker (both in chassis form only). Although 1982 output fell from the level of the previous year, "order books are quite reasonable."

Leyland Bus's major rival in double-deck bus production is the Cammell Wayman, the Laird Group subsidiary. MCW has already gone through its capacity-cutting exercise by reducing the workforce at its bus factory in Birmingham from 1,450 to 800 at the end of 1981.

MCW launched its Metro bus in 1978 and has sold the double-decker to London Transport, the West Midlands authority and has exported more than 1,800 in kit form to Hong Kong. The company is sharing the London Transport orders with Leyland and by the end of 1983 will have supplied 995 Metro buses compared with the 885 Titans from Leyland.

However, the orders have not been evenly spread because production of the Titan was delayed when Leyland switched output from Park Royal in North London to Lowestoft. The Lowestoft workforce did not agree to the use of unskilled labour on the bus so Leyland then changed production to Workington.

To allow Leyland to catch up last year the 1983 London Transport order was for 275 Titans only and there was nothing for MCW. It was when this position became clear that MCW made its cuts.

Also in the double-deck bus business in Britain's Volvo of

Sweden, which set up a plant to produce them at Irvine in Scotland in 1974. The first buses rolled off the lines the following year.

Statistics

In 1982 Volvo's Irvine plant produced 200 double-deckers. It also recently won the right to call the vehicles produced there "British" for the purpose of the statistics produced by the Society of Motor Manufacturers and Traders.

The UK Volvo company is speeding a further £340,000 at its Scottish plant—which has a capacity of about 2,000 vehicles a year—to provide additional facilities for the production of a new double-deck bus chassis called Citybus. This should be in production in the middle of this year.

General Motors, the world's largest vehicle group, has been reorganising its commercial vehicle operations around the world and, as a result, Bedford in the UK has become part of GM's world truck and bus group.

The first Bedford buses were produced in 1931 at Luton but bus and coach production was transferred to Dunstable, the company's main truck facility, in 1953.

One of the important changes made last year by Bedford was the appointment of a new bus and coach sales manager, Mr David Carter, a long-time Vauxhall-Bedford employee, as a full-time specialist.

Previously, bus and coach operations were included in the general commercial vehicle

sales operations. This was not a token gesture because Bedford insists that it "intends to remain a strong contender and to improve our position in the bus and coach business."

The introduction of what the company dubs a "mid-weight" chassis, the "V", three years ago will be followed in time by a heavy-weight chassis and an export weight chassis, Bedford promises.

Bedford's chassis output last year was 548, of which 240 were for export compared with 491 (244 for export) in 1981.

Ford seems to have no similar ambitions in the bus and coach market. Its lightweight chassis, suitable for gross weights up to 12 tonnes, has suffered from the trend for coaches to get longer and heavier and to move to the 18 tonnes permitted for two-axle vehicles. Ford apparently is unwilling to invest for new products in what is becoming an increasingly competitive environment.

Ford bases its "R" chassis on the 20-year-old Tractor platform but recently added the new Dover engine to the specification.

Even in 1975, Ford's Langley plant built 3,800 chassis of which 3,200 were exported. However, export business has dried up in the face of Japanese competition and local assembly requirements so that production is now about 300 a year for Britain only.

Kenneth Gooding

PROFILE: WALLACE ARNOLD

Enforced operational changes

WALLACE Arnold, Britain's largest independent coach operator, is in the throes of digesting operational changes. They have been forced on the company partly by the recession, partly by the changes in the industry and changing travel habits.

Apart from deregulation, these changes include movements in the relative importance of different markets, and British travel and the pressures towards improving efficiency of its Leeds headquarters. The company says rationalisation measures already taken.

Wallace Arnold is a subsidiary of Barr and Wallace Arnold Trust whose business interests reach into motor distribution, computer bureaux and oil distribution as well as coach operating.

The company's leisure and holiday operations have a turnover of about £60m. Pre-tax profits of £339,000 in the seven months to July 1982 showed a healthy improvement on the £176,000 achieved in the same period in 1981.

The 12-months figure for 1981 resulted in a loss of £132,000 with a clear downturn in the latter months of the financial year. But the company is not expecting the same pattern to be shown in the latter months of the 1982 financial year. The company completed during the period the sale of its loss-making Evan Evans subsidiary.

Wallace Arnold Tours include holiday coach operations, the Pullman inter-city service between London and West Yorkshire, and retail offices providing a general travel service as well as a sales outlet for its own services.

Wallace Arnold withdrew in October 1981 from British Coachways—the express coach consortium of which it was a founder member—to go no-market with Pullman-style express services, which it runs with National Bus.

The group's main depot is also in Leeds, with smaller depots in Scarborough, Croydon, Torquay and Plymouth. Continental travel accounts for a growing share of the business—in line with general market trends—though in terms of the number of passengers carried, the UK still accounts for two thirds of Wallace Arnold's holiday business. There are also signs that there might be some recovery in 1983 UK bookings.

Wallace Arnold's European express services are being extended through its Euroways subsidiary. Last year, some 135,000 passengers were carried on holiday and package trips, excluding those using the inter-city express services.

Fragmented

Within the company there are some doubts whether deregulation has been good for the industry as a whole. For Wallace Arnold it has fragmented the holiday tour market with new small operators taking business in the peak holiday periods.

The company has 280 vehicles but has been reducing its fleet, saying it is doing it to upgrade its quality, to so doing it has purchased a greater number of continental coaches—in particular, Votvos, Bovas, and Setras. Its management believes the more eye-catching appearance of some of these vehicles works to its advantage in

attracting trade. It has been operating Volvos for some time and though the purchase cost is larger than that for British-made vehicles, Wallace Arnold has found them particularly reliable.

However, it still operates a greater number of Leylands, with Plaxton and Duple bodies, and some Fords mainly for light work. Leyland argues too that its latest vehicles like the Royal Tiger Doyen are as striking as anything produced in Europe.

Within Wallace Arnold itself a considerable amount of reorganisation has taken place over the past two years. A new building was opened in Leeds in October 1981 and a lot of operations have been brought into one set of premises rather than two. Accounts have been reorganised.

In May last year, an on-line reservation system was introduced through which travel agents can phone direct to Wallace Arnold staff, who are now equipped with computerised information rather than having to use manual charts. The UK holiday operation has seen further evidence of the change in demand away from traditional touring coach holidays to holidays with a specific centre. Continental holidays though have witnessed the most interesting changes.

This has resulted in the introduction of the Nightrider service, which has been rapidly growing over the past two years and involves cutting out overnight stops in getting to and from Continental resorts, so reducing the cost of the package.

Nick Garnett



Talk to the experts at National.

National Bus Company, with 14,000 buses in England and Wales, has an efficiency record second to none in world terms. From this wide range of expertise, National offers you a full consultancy and training service—from basic planning and general management, through to personnel training, vehicle efficiency and marketing.

Our consultants have already assisted in the development of systems in many countries. So whatever the problem you can be sure that National has the practical experience to solve it. Both at home and abroad.

If you'd like to know more, contact Tom Glass, Consultancy Services Division, National Bus Company, 172 Buckingham Palace Road, London SW1W 9TN. Or phone 01 730 3453—telex 27422.

NATIONAL
NBC Consultancy Services



Serving Scotland's Transport Needs

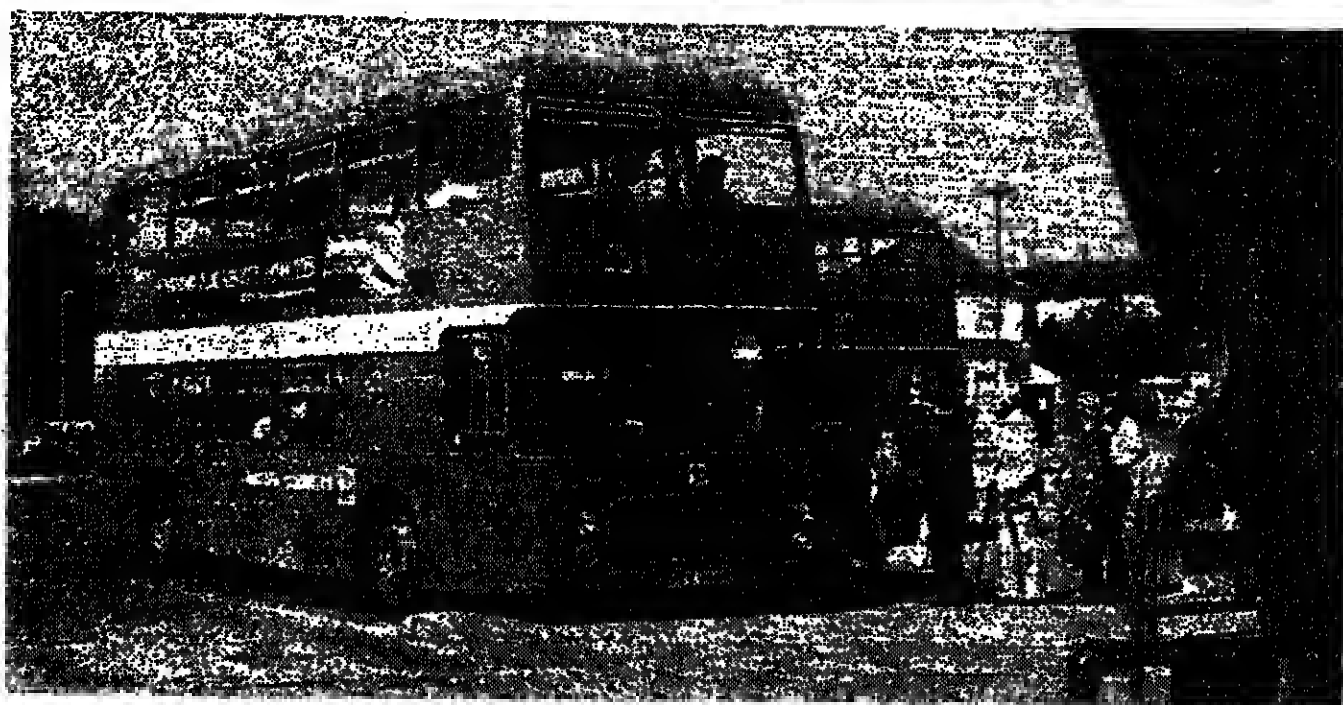
The Scottish Bus Group of companies operates 3,400 buses and coaches throughout Scotland on stage carriage bus services, express coach services, day and holiday coach tours, private charter work and school contracts.

The Group works closely with local authorities to provide a network of socially vital routes, and as a national operator, integrates these into a network of interurban services across the Scottish mainland.



SCOTTISH
Central Scottish · Eastern Scottish · Fife Scottish · Highland Scottish
Midland Scottish · Northern Scottish · Western Scottish
Scottish Bus Group Ltd 114/116 George Street Edinburgh EH2 4LH

BUSES AND COACHES V



Above: passengers board at Kettering bus station in the Midlands, and (right), a Dodge electric-powered minibus—providing a service in districts where to use normal vehicles would be completely uneconomic.

Urban services hit by declining use and rising costs

DEMAND FOR bus services in Britain has been declining steadily for almost three decades, largely in the face of rising private car ownership and changing social and leisure time activities.

The recent performance of the industry suggests that the decline is continuing, although perhaps at a reduced rate in the light of deregulation of the express bus routes and British Rail's inability to avoid steadily increasing passenger fares on the trains.

The bus industry as a whole reached its peak in 1955, when demand called for 14bn passenger journeys. By 1980, the number of passenger journeys had been halved to 7bn, but as a recent study by Martin Higginson and Peter White of the Polytechnic of Central London* showed, the industry was still substantial.

In 1980, the British bus industry as a whole operated 2bn bus miles run by a total of 70,000 buses, producing a total turnover of £1.6bn.

The industry is made up of local authority bus operators, private operators and the nationalised sector in the form of the National Bus Company, which operates in direct competition with the private sector in areas such as express travel, and works in cooperation with

several local authority bus companies.

The scale of the British bus industry is well illustrated by the size of National Bus Company operations. NBC carried 24 times as many passengers as British Rail in 1980, when the bus company reported a trading profit of £5.5m from the operations of its 35 regional and local bus companies.

Risk

The decline in the use of Britain's bus network has been accompanied in recent years by steadily rising costs. These in turn have put further pressure on the bus operators to trim their services, although at the risk of losing more custom, and so perpetuating the decline of the industry.

The report from the Polytechnic of Central London, published in December 1982, was the end-result of a detailed two-year study, sponsored by the Social Science Research Council, into "The Efficiency of British Urban Bus Operators."

The overall aim of the study was ultimately to "facilitate throughout the country the provision of high quality, competitive and well-patronised bus services. The way this was to be done was "by assisting

bus operators to perform efficiently."

The report from the polytechnic came hard on the heels of an earlier report, this time from the Monopolies and Mergers Commission,† which also looked at the efficiency of selected local authority bus operators.

The terms of reference issued by the Trade Department were for the commission to answer a series of specific questions, all relating to the "efficiency and costs of possible abuse of a monopoly situation" by the companies, Bristol Omnibus, Cheltenham District Traction, the City of Cardiff District Council, Trent Motor Traction and West Midlands Passenger Transport Executive.

Both reports emphasise that a difficulty in assessing the efficiency of local bus operations lies in the conflict between social objectives and commercial objectives for the bus operator. Also, it was quickly apparent that no two bus undertakings are identical.

The report from the Polytechnic split out the impact of rising costs on the local bus operators studied over the two-year period of the research project. The authors concluded that the local authority bus industry, one of the main

sectors in Britain's bus operations, as a whole has not covered its operating costs from its revenue from fares since 1972.

The study showed that costs in local authority bus operations had risen faster than the general rate of increase in the retail price index over the decade to 1980. The RPI in 1980 was 3.7 times its 1970 value, while the costs per mile of operating local authority bus services had risen by 4.7 times, a rise in costs in real terms of 28 per cent.

This rise, on top of already high underlying inflation, emerged as "one of the dominant issues in the study," the authors point out.

Slight fall

Of the main components in the costs of bus operations, traffic operating costs fell slightly over the period of the report, 1970-1980. This fall was in terms of real price levels and, to a greater extent, says the report, as a proportion of total operating costs.

There was a five percentage point fall in the proportion of operating costs attributed to traffic operations, from 62 per cent to 57 per cent in the period 1975 to 1979. This was caused by the move towards single

person bus operation from bus operations with two person crews, over the period, with the associated fall in the total number of traffic staff employed.

While this fall in costs from traffic costs was to be welcomed, the polytechnic report shows that "the immediate scope for further reductions is limited." Only a few local authority bus operators still employ conductors as well as drivers.

More general economies in traffic operations are possible through faster bus running speeds, through faster boarding of passengers and improved ticket issuing techniques.

Economies also can be made by increasing the ratio of "paid driving time to paid time," by ensuring that drivers are on the road more of the time of their shifts. This would be possible through cutting the peak/inter-peak ratio, and providing a more constant bus service throughout the working day.

Fuel remained a "relatively small element" in bus operating costs, accounting for 6 per cent of costs in 1980.

The largest element in the rise in bus operating costs in the 1970s was "servicing, repair and maintenance," with a 21 per cent rise in the four years to 1979. Higher labour costs and more complex buses were to

blame for the higher cost increases.

There is "considerable potential for cost containment" in these areas, Engineering is more closely under the control of management than day-to-day operations, which are subject to variable traffic congestion, the report says.

Improvements can be expected in the efficiency of local authority bus operators by the gradual changeover from the first generation of rear-engined double-decker buses, such as the Atlantean and Fleetline, introduced in the 1970s, to the second generation of these buses now being introduced, including the Leyland Olympian and Titan, the Metrobus and Dennis Dominator.

The rising impact of higher costs on bus operators over the 10 years to 1980 is shown by comparative performance figures over the period. In 1970, local authority bus operators on average covered their full operating costs and made a 7 per cent contribution to capital expenditure.

Since 1973, however, the sector has failed to earn enough on average from fares to meet its costs of operation, according to the polytechnic report.

Individual undertakings continued to trade profitably on their operating account for much longer, but by 1980, local

authority operators failed on average to cover their operating costs from fare revenue by 17 per cent. The passenger transport executives of the large metropolitan areas suffered a 21 per cent shortfall on revenue compared with operating costs, while the district council and Scottish regional operators failed to cover operating costs from revenue by 9 per cent.

This general decline in the viability of the local authority bus operators was accompanied by substantial changes in the market for bus passengers. The sector lost a quarter of its passengers in the decade to 1980 and every undertaking was affected to some extent.

Parking

The Polytechnic report identifies among other changes, a decline in bus travel to and from work. This produced a less "peaked" demand. There is also the movement of people to urban outer suburbs, and small towns, greater car ownership, more parking facilities and rising unemployment, which have each contributed to the decline.

At the same time, the steady decline in evening and weekend demand for leisure travel by bus has continued, the report says. "Only in the inter-peak

period has demand remained relatively buoyant."

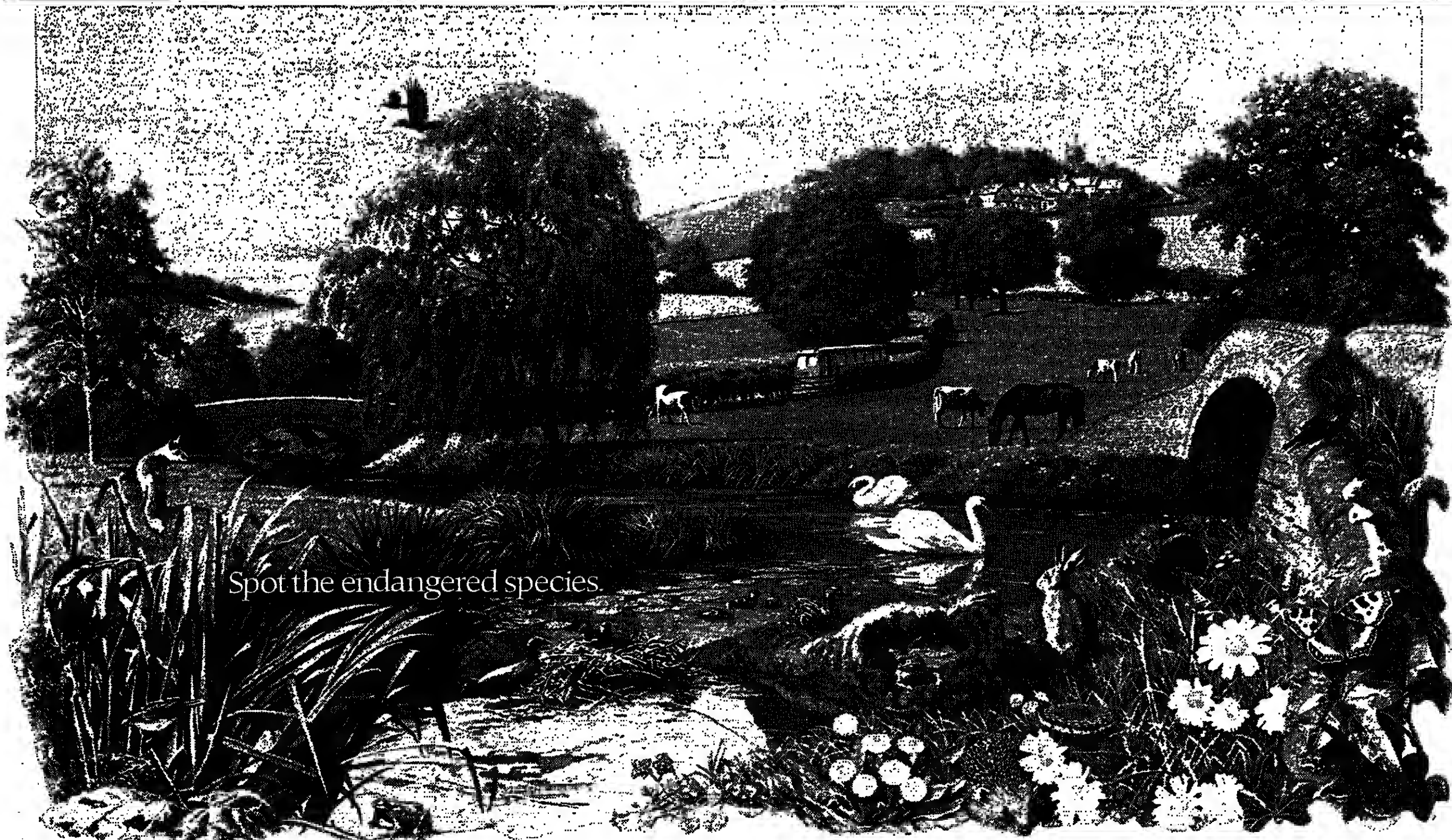
The fundamental objective of the report was to gain a better understanding of how bus undertakings work and to recommend ways of working more efficiently in the future.

In particular, the report recommends that a reduced peak-to-inter-peak ratio will often present the best initial opportunities for improvement, with a trimming of peak operations and or increase inter-peak services. Also, faster running speeds, more interworking between routes and additional cross-town linkages will allow vehicle output levels to be raised.

Comprehensive "bus priority" measures to allow closer adherence to scheduled running times could also improve vehicle use. Fare scales should be simplified and calibrated in steps to ease payment and speed the issue of tickets.

*The efficiency of British Urban Bus Operators — Research Report No 8, December, 1982; Transport Studies Group, Polytechnic of Central London, 35, Morylebone Road, London NW1 5LS (price £15).
†A report on Stage Carriage Services; Monopolies and Mergers Commission, HMSO, HC 442, July, 1983 (price £13).

Lynton McLain



Spot the endangered species

The fascinating little creature shown here in its natural habitat is the country bus.

And despite the fact that it's one of the countryside's best friends, things have become so bleak recently, it could be on the road to extinction.

Which is bad for the 40% of households in some remoter areas that don't own a car. And bad for you if that 40% includes your

own family, friends or employees.

How else will they get to work, to school or the shops?

Indeed, without buses, these services themselves could become threatened with social and economic consequences that don't bear thinking about.

Yet that is precisely what we should be doing. Thinking.

And then acting.

Because if we're to keep the countryside alive, we need the bus. It's the most fuel-efficient form of mechanised transport we can invest in. Used fully, it offers unrivalled value.

As our free book explains — and more. If you believe in a flourishing countryside, you owe yourself a copy.

For a complimentary copy of "The Country would miss the Bus" send this coupon to: Bus & Coach Council, Sandringham House, 52 Lincoln's Inn Fields, London WC2A 3LA. (Further copies are available from the same address at a cost of 51p per copy.)

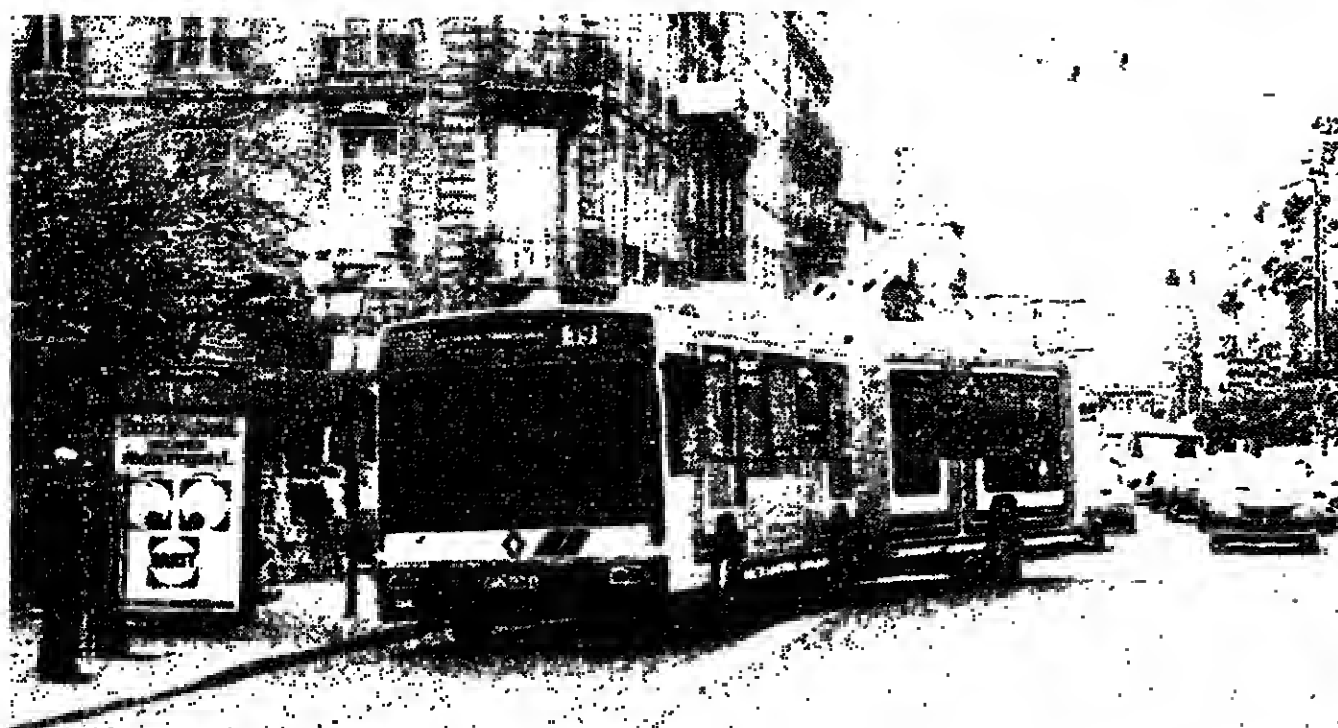
Name _____

Address _____

We'd all miss the bus

Available from February 22nd 1983

BUSES AND COACHES VI



This Renault articulated trolleybus on service in Nancy, France, is also diesel-powered so that it can run on either system

BUS AND COACH PRODUCTION					
	1980	Total	1981	6-141. over 141.	Observations
Mercedes-Benz (W. Germany)	7802	7312	1924	5388	Includes chassis for European Coachbuilders
Leyland (UK)	5130	3867	477	3390	Mainly chassis-built vehicles
Iveco (Italy)	N/A	6387	1550	4837	Includes chassis only
Hino (Japan)	5024	5443	2280	3163	
Mitsubishi (Japan)	3961	4760	2056	2704	
Isuzu (Japan)	5182	3965	2124	1841	
Renault V.I. (France)	2909	3651	932	2719	All complete vehicles above 76 chassis
MAN (W. Germany)	2845	3431	271	3160	
Volvo (Sweden)	4419	3333	156	3177	Chassis only
Scania (Sweden)	2734	2953	N/A	2953	Chassis only
Nissan (Japan)	2333	2009	697	1312	
Setra (W. Germany)	2037	1941	N/A	1941	Complete vehicles only
Pegaso (Spain)	N/A	1654	53	1601	Chassis only
Neoplan (W. Germany)	N/A	927	91	836	Almost all complete vehicles

Source: Renault Vehicules Industriels

Councils face up to new Bill

THE MOST immediately pressing issue facing Britain's local authority controlled bus services is the Government's new Transport Bill, which will impose financial guidelines for support by local authorities.

Provisions in the Bill, now in the House of Lords, are part of the Government's campaign against what it calls "unrealistically low fare policies" of some councils, notably the Greater London Council and South Yorkshire Council.

It seeks to put a ceiling on the amount by which councils can subsidise public transport fares from the rates, removing the "severe burden" imposed on the ratepayers.

The Government intends to have the Bill on the statute book by March.

Mr Alex Waugh, chairman of South Yorkshire Transport Committee, said: "The legislation will not be before the metropolitan council rate precept. Therefore while we will take note of the imminent legislation, we will still make our budget in the normal way within our statutory duties."

"We have not made our budgets yet but provided councilors are aware that they are not acting illegally we shall continue our existing services."

The impact of the imminent legislation has forced councils such as South Yorkshire to balance political objectives with the need to balance the needs of the ratepayers on bus fare payers.

However, South Yorkshire fears that proposals within the Transport Bill, in which the Department of Transport will seek detailed information on bus services, is a forerunner to increased central control of the sorts of services provided.

South Yorkshire, which has contained fare increases at 1975 levels, defends its policy by pointing to an 8 per cent increase in bus usage at a time when other operators which have increased prices in real terms have lost many of their passengers. "If we had put up fares to line with inflation," said Mr Waugh, "we estimate we would have lost at least 30 per cent of passengers."

Authorities such as South Yorkshire fear that the proposed new legislation is a forerunner of complete de-licensing of bus services and wholesale privatisation.

The Labour-controlled Association of Metropolitan Authorities is currently mounting a strong campaign against the Bill and lobbying Peers within the House of Lords. It believes the Bill will jeopardise local authorities' total transport policies because fares, it says, are part of total transport arrangements.

It points to the example of Merseyside's bus policy, which it says was part of an incentive to travel on public transport with bus services linked to rail routes.

Local authorities such as the West Midlands County Council have also objected to the Bill, claiming it will cut down on urban pollution and city congestion. Mr Isaac said: "Our aim is to provide a system of transport which is able to provide a reliable and fast service without having to compete with the private car."

Kenneth Gooding

been informed that purchasing abilities may be halted for 16 months.

Local authorities point to reports that most major public transport undertakings in the UK experience both lower levels of financial support from public authorities and falling passenger demand in recent years than major systems in countries such as France and West Germany.

A paper by Mr J. E. Allen, finance director for the London Transport Underground, showed that apart from South Yorkshire's undertakings UK transport systems generally receive less financial support from public authorities than those on the Continent.

Experiments

British local authorities also point to the problems in Britain of experimenting with conventional-style single-deck buses with several doors. Mr James Isaac, director general of the West Midlands Passenger Transport Executive, said that in Europe people could get on at any door because there was a spot fine system for fare dodgers.

"One of the reasons for the single-door bus is that we want people to pay," he said. Non-payment of a fare in this country imposes a duty on the bus operator to prove an intention to defraud.

The West Midlands' bus services have been particularly badly affected by high unemployment, while by June is projected to reach 18 per cent according to Mr Isaac.

The bus service was carrying 500m passengers a year in the late 1970s but, according to Mr Isaac, the effect of the recession has cost 35m passenger journeys a year, which in financial terms is an annual loss of about £3m.

However, services have not been cut although "good housekeeping exercises" have been imposed by the county council. This then worsens the cost revenue balance.

The main losses of passengers are in the evenings, down 20 per cent on three years ago, and 22 per cent on Saturdays.

The county council, while aware of its financial constraints, has chosen not to cut services because it wants to maintain the mobility of those without cars.

West Midlands has also attempted, like authorities such as Tyne and Wear, to more fully integrate bus and rail services. In the last year 200 new car parking spaces have been opened at railway stations and 300 more are awaiting approval. All car parking spaces at suburban railway stations are free.

As to the future, transport authorities keep looking to the European effects of investment and integrated public transport systems which cut down on urban pollution and city congestion. Mr Isaac said: "Our aim is to provide a system of transport which is able to provide a reliable and fast service without having to compete with the private car."

Lisa Wood

Restructuring moves for European makers

RESTRUCTURING of bus manufacturing operations in Europe has not been restricted to Britain. In the highly-competitive West German market big changes have taken place.

For example, MAN (Mashinofabrik Augsburg Neunberg), 75 per cent-owned by Catehoff-nungshaus, Europe's biggest engineering group, has concentrated bus production at its Watenstedt plant.

Previously, the MAN standard buses were built at Penzberg but this facility has been switched to production of sub-assemblies such as axles.

MAN's bus and coach-building capacity remains at between 2,500 and 3,000 vehicles a year, depending on the mix. There is also some production at the Graf and Stitt subsidiary in Vienna. MAN employs about 3,000 at the Watenstedt plant but they also work on trucks and military vehicles.

Last year, MAN sold a total of 2,739 buses and coaches against 3,247 in 1981. In the past MAN mainly supplied fully-built buses but the proportion now has dropped to something in the region of 30 per cent because the company has a major contract to supply bus chassis to Baghdad while

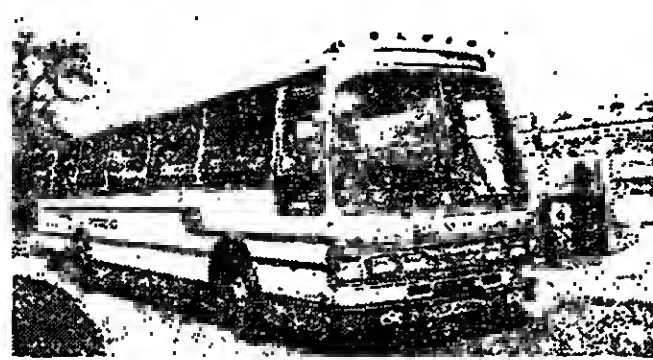
Australia no longer accepts built-up buses. Rationalisation in Germany has been taken further by the decision of Iveco to close its bus plant at Mainz with the loss of 1,400 jobs.

Iveco is the Fiat subsidiary which produces and sells trucks and other vehicles under the Fiat, Unic, Lancia, OM and Magirus badges and has manufacturing plants in France as well as Italy and Germany.

According to Iveco, Magirus lost competitiveness when the German market preference switched to long-distance, luxury coaches of a type Magirus did not produce. The Mainz plant, according to German press reports, lost the equivalent of £1m in the past three years.

Iveco has also effectively closed another of its bus plants, at Cameri in Italy. This facility has been switched to the production of truck axles for a new company jointly owned by Iveco and Rockwell of the U.S.

Iveco's bus and coach division still has the Valle Ufita plant, southern Italy, which makes complete chassis and bodies, and there is a 70 per cent-owned body builder for luxury coaches called Orlandi in Modena. The division has been re-



A Volvo coach fitted with Girling's wheel-sensed anti-lock braking system on both axles. Volvo manufactures in a number of countries but most of its buses and coaches come from Sweden

examining its position. It certainly will remain in the luxury coach business and is contemplating what other market sectors it should be represented in.

In spite of the world-wide downturn in demand for buses and coaches in the past couple of years, one manufacturer, Scania-Bussar, part of the Saab-Scania group of Sweden, actually has been adding capacity.

The company was formed as

a result of the major event in the history of Swedish road traffic—the change from left to right-hand traffic in September 1967. Half the 7,000 buses then operating in Sweden had to be replaced as right hand drive vehicles and the rest required major conversion work.

Scania acquired an existing coachbuilder, Svenska Karosseri Verksaderna, after the initial boom had died down—and when a considerable drop in output was expected—and moved its

bus operations from Soderstjerne, leaving that plant for truck manufacturing.

During 1981 Scania opened a new assembly plant, which uses air-cushion technology to move chassis from one assembly station to another, in Katrineholm. The production is now distributed among so-called assembly groups.

The new assembly plant has made it possible to divide the production of buses at Katrineholm between two main plants—one for the assembly of chassis and one for the production of bodies. Scania reckons this results in higher capacity, greater flexibility and more rational materials handling.

In 1981 Scania produced 2,760 buses, with the Swedish plant accounting for 67 per cent, while subsidiaries in Brazil and Argentina were responsible for 29 and 4 per cent respectively.

Scania's neighbour in Sweden, Volvo Bus Corporation, also expanded in 1981 by acquiring Karosseri Hoglund which produces more than 200 bodies annually for the Swedish market.

Volvo Bus invoiced 3,850 chassis in 1981, most of them at its main plant at Borås from components supplied from other Volvo facilities in Sweden.

There are Volvo-owned companies assembling buses at Irvine in Scotland, and in Brazil, Peru, Australia and Thailand, and independent licensees assemble them in Portugal, Greece, Morocco, Costa Rica and Indonesia.

Elsewhere in Western Europe, Renault Vehicules Industriels (RVI) was formed from the merger of Berliet with Saviem and the bus manufacturing division continues to operate the two plants owned by the old companies. Both are in the Lyon region.

The former Berliet facility at Vélizy-sur-Seine makes RVI's most modern buses, such as the PR100. The other plant, 50 miles away at Annonay, makes the heavier-duty types, and export models.

Between them the two factories have the capacity to produce around 4,000 completely built-up buses a year. In 1981, RVI produced 3,651 buses and coaches of which 2,719 were over 14 tonnes and all but 76 of those heavyweights were sold to built-up form.

The group has increased its grip on its domestic market in December by concluding a technical cooperation agreement with Heuliez, the leading French body builder, under the terms of which RVI will supply Heuliez with the mechanical components required for future Heuliez models.

And Daimler-Benz, Europe's major commercial vehicle producer, operates its bus manufacturing business through a division called UBO (Unternehmen Bostich Omnibusse) which has a worldwide capacity of about 30,000. There are 23 countries where Mercedes buses are produced.

UBO's German operations are centred on Mannheim where the plant turned out 3,500 buses and coaches last year. UBO is organised in an unusual way because a quartet of managers, with responsibility for sales, finance, production and development respectively, to run the business, for a sort of "commission".

Smaller van-based buses are built at Dusseldorf and Bremen. There are also big plants at Buenos Aires in Argentina, Sao Paulo in Brazil and UBO is part-owner of a bus plant in Turkey.

Kenneth Gooding

FORTHCOMING FINANCIAL TIMES SURVEYS ON THE MOTOR INDUSTRY

Throughout 1983, the Financial Times is proposing to publish seven major surveys on the Motor Industry. The surveys will include:

Four wheel drive vehicles	May
Vehicle components	May
Executive cars	June
Vans and light trucks	July
Vehicle rental	September
The Motor Industry	October
Commercial vehicles	November

For further information and advertisement rates, please contact:

Colin Davies,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 ex. 3240. Telex: 885033 FINTIN G

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of surveys appearing in the Financial Times are subject to change at the discretion of the Editor.

Continental tour operators confirm their strength

WHEN THE Magic Bus coaching operation from the UK to various European cities collapsed at Christmas it confirmed in many minds the traditional concept of international buses—that they are cheap, mainly for the young, and relatively insecure.

In fact, however, coaches have made a considerable comeback on the medium haul market among the middle-aged and middle class, and are more often than not run by long-established companies. They owe their success as much to improved standards as to low costs.

UK coach operators such as Wallace Arnold, Global, Cosmos and others have all seen major surges in business in recent years. "Coaches are once again very popular," says Global's Mr Roger Corkhill. "The strength of the market has been confirmed this year, particularly in Austria and Switzerland."

It has taken the British some time to discover international coaching, however. Its image of cheap transport for the young, or insulated package touring for the elderly, has not helped. Only a few years ago companies despaired of the British market ever being prepared to pay the fares necessary to sustain the air-conditioned, coffee serving, plush-seated, WC-equipped vehicles popular in Europe and the U.S.

In those days the European market for such traffic was

dominated by U.S. and Australian passengers. Now even the British have rediscovered long-haul luxury buses.

Clearly the gradual deterioration of standards on airlines and the overcrowding of airports has helped. Coach operators have been able to exploit their vastly greater pick up and set down flexibility. The old problems of onboard facilities and the very slowness of road traffic have been diminished—the first by on-road movies, drinks service and lavatories, and the second by the high speed multi-laned highways that now carve their way throughout Europe.

Sophisticated

In few fields has the penetration been as great as in winter sports where at least a dozen companies have now arrived on the British ski scene running sophisticated ski buses to various European destinations. Some, like Neilsons, have grown spectacularly as a result of spotting the potential demand.

It is probably ski coaching which most obviously demonstrates the way in which the travel cards have been tipping coaching's way. For example, the French Alps are now a popular bus destination and no reasons are obvious. Geneva is a less than good charter airport (it is overcrowded and expensive), the Alps are well served by motorway and autoroutes from the UK, the Netherlands and

southern Scandinavia; and those who arrive by air face a coach journey of a couple of hours to their ski resort anyway.

In all, however, it would be foolish to suggest that price has no significance. It is a fact that fuel is a much smaller element of a bus operator's costs than in the case in the air. Even with a bus doing much less than 10 miles to the gallon, each of those gallons is split between 30 or more passengers and at 300 passenger miles per gallon the ability to absorb fuel price rises, even quite sharp ones, is much increased when compared with an airline.

The big coach cost elements in international coaching are labour (a long haul bus may have two drivers and a guide on board) and depreciation. Even here the odds favour the bus. Coach drivers are hardly in the airline pilot pay league and even the most sophisticated of buses is unlikely to hit the \$10m that the modest jet will cost these days.

Like many a good business these days, however, the problem is not one of lack of demand but one of oversupply. There has been a rush to offer facilities which the market has been so eagerly demanding, and a rush which today almost certainly exceeds consumers' needs. The Magic Bus may have lost its magic as much due to this as anything else.

Arthur Sandles